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Heads Manufacturers

John N. T. Bulman, president of the Winnipeg printing firm of Bulman Brothers Ltd., this week takes over as president of the 6,500-member Canadian Manufacturers' Association. Membership in the association takes in over 600 communities from coast to coast and represents about 80% of Canada's manufacturing production, which last year was valued at about $19 billions.

THE NATION'S BUSINESS

On Foreign Money And Closure

Two distinct questions were involved in the gas pipeline debate. One was the scheme itself, regarded as a business proposition. The other is the Government's procedure.

In both spheres of controversy the critics have appealed to history.

This "sellout to American interests," it was claimed, outrages the self-reliant Canadian tradition established in the 1870's when the great decision to build a railway to the Pacific was taken. The Government's use of closure, it is further argued, outraged the tradition of Parliament's freedom of speech.

Let's look at the historical facts in these two points.

The railway debate won by Sir John Macdonald about 75 years ago was fundamentally unlike the pipeline debate. Macdonald had to show, and he did, that a trans-Canada railway wholly on Canadian soil (that is, running north of Lake Superior), was financially and physically possible.

American railwaymen would have been delighted to supply a line connecting Winnipeg with Central Canada via St. Paul and Chicago; but Macdonald would have none of this scheme. If he had lost the argument, that would have been the end of Canada.

On the pipeline issue all parties are agreed that gas must flow from Alberta to Eastern consumers by an all-Canadian route.

As for finance, it was indispensable Government subsidy and loan that pushed the CPR through to Vancouver, especially in 1884-85 which were the years of its final building spurt. After 1883, though the business geniuses of the Montreal syndicate pledged everything they owned or could personally borrow, London and New York went bearish on CPR stock and dried up as sources of support.

In October, 1883, the 550,000 CPR shares then in circulation were thus held: 290,000 in New York; 100,000 in Montreal; 90,000 in London; and the rest mainly in the Netherlands and France.

Evidently the nationality of money did not much concern Macdonald or the CPR. The important point was that the line should be in Canadian territory and thus under Canadian control.

Closure, first used in this country by the Borden Government in 1913, dates from 1881 in Britain. It was an importation from France and unpopular at first. British MPs still cry "gag, gag" when closure is used but they put up with it as a convenient way of expediting business.

Prof. Ivor Jennings, in his classic book on Parliament, says that between 1887 and 1899, on the average, closure was asked for 62 times per session, allowed 36 times, in the British House of Commons. The averages for 1919-32, latest period covered by Jennings, were 60 times asked for, 42 allowed. Sometimes a closure motion is rejected by the Speaker as an abuse of the rules or an infringement of minority rights.

There is, of course, no reason why Canada should slavishly follow British custom. The point is that the British House is still deservedly known as a free Parliament and it uses closure frequently.

* * *

Look North — Americans

It may still happen that an American visitor arrives in July with skis or asks why Canada still pays taxes to England; but nowadays it doesn't happen so often. Americans are becoming better informed about Canada.

Crawford Gordon, Jr., the president of Avro, took a hand in the missionary job of educating the Americans about Canada in a recent New York address.

Canada, as Mr. Gordon noted, is now gaining in population and national product more rapidly than the United States. Estimates suggest 25 to 30 million people and a gross output of $80 billion by 1980. It was $26.6 billion last year.

Rosy forecasts are based on known facts. Though Canada is first among all countries in nickel and asbestos, second in uranium, zinc and gold, four fifths of the area that looks promising to the geologists has still to be closely studied.

Canada is first in Commonwealth, seventh in the world, as an oil producer but one half of our potentially oil-bearing land is unexplored. Four fifths of known hydro power remains untapped. Resources in nuclear energy from uranium are incalculable.

Most encouraging of all, there is apparently a limitless future demand for our produce. The United States could not fight a foreign war without Canadian supplies; but Uncle Sam can't get on without us in peace either. The Paley Commission calculated that by 1975 American demand for nickel will be up 100% from 1950; for iron ore up 54%; for copper up 43%. As U. S. home supplies shrink, Canada is the logical source.

At Taku Inlet in British Columbia a 4,000,000-horsepower hydro will supply a vast project for processing iron, cobalt, nickel and manganese. Air surveys on a giant scale, Arctic and sub-Arctic air bases, improved navigation on the Mackenzie and regular shipping along the Arctic coastline point to the opening of the Far North. The gas pipeline, undebatable as an economic proposition though (it seems) not so politically, will rank among the greatest of Canadian feats.

Speaking on his home ground, Mr. Gordon mentioned with legitimate pride Canada's success in building the first jet airliner, the world's best all-weather interceptor in the CF-100 powered by the Orenda turbojet and the world's best-performing Sabre in the Canadian version of the F-86.

Canada's advancement — this was Mr. Gordon's main message — concerns Americans. It should interest them as buyers and investors. It should interest those among them with the creative urge to build new industries. It should interest those with the adventurous urge to settle and work in a young country that has a future bright enough to be truthfully called dazzling **even though the streets aren't paved with gold.**

Chemical Expansion Bets On Solid Future

New Chemical Programs Soon Will Be Popping Up Like Spring Flowers From Montreal To Edmonton — Previewing Sound Economy

By W. L. DACK

A buoyant note of optimism is running through Canada's $1-billion-a-year chemical industry.

It's being reflected in a $100-million-plus wave of new and extended plant projects.

Some of the programs are nearing the final blueprint stage and will be announced over the next few months. Others, recently announced, are being revised upward even before the construction crews can get on the properties.

Basic concept of every undertaking is a firm conviction that there will be no major interruption in the current hot industrial pace in this country.

Chemical officials must plan far ahead of general industry. They must anticipate by several years likely developments in all industry. When they build they must invariably build considerably beyond current domestic market requirements.

A look into the planning books of company development departments today is like an exciting preview of a big industrial drama to unfold over the next few years.

A major part of the program will be connected with petrochemicals, that fast-growing section of the industry that feeds on petroleum hydrocarbons.

Here are some of the big names that are—or will be—making important petrochemical news:

B.A.-Shawinigan Ltd., Imperial Oil, Union Carbide Canada, Dow Chemical of Canada, Shell Oil Co. of Canada, Canadian Industries Ltd., Canadian Oil Cos., Polymer Corp.

B.A.-Shawinigan Ltd. has just announced a major expansion of its Montreal East petrochemical plant to boost production of phenol by 50%. Company's acetone capacity will be increased by same proportion.

Rapidly expanding domestic market for phenol is the big factor behind the plant expansion move. In the last few months this pace has begun to quicken.

Phenol is used in production of synthetic resins used in manufacture of television cabinets, washing machine agitators, a broad list of other articles in the electrical industry. Phenols are also used as water resistant glues in plywoods; further processed chemically to product plasticizers for cellulose film, weed killers, detergents, etc.

B.A.-Shawinigan is jointly

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Inside

THE OVERSEAS lumber market is getting tougher. Here's how B. C. lumbermen are "making love" to customers ..... p. 14

HERE'S A TOOTHBRUSH with built-in dentifrice. You'll find other profitable and interesting items in What's New p. 19.

PESSIMISTS are bothered by Canada's growing home mortgage load, but others think it's a sign of a healthy economy. Which side are you on? ..... p. 7

JAPAN IS a trading partner to be reckoned with. Can you profit by Canada's growing trade with the Land of the Rising Sun? See the special report with this issue.

NOBODY LOVES a dead beat as much as the bad debt collectors. This year, however, the bad debt business is getting tougher. A signpost of economic changes? .... p. 17

DON'T TAKE chances with your key executives in company aircraft. One crash could wipe out your top ranks if you don't set hard-and-fast flying rules ..... p. 13

Cdn. Breweries Buys 'Radical' Brew Process

A radically new brewing process will give Canadians better beer before year's end, its proponents claim.

The new brew won't cost our foam-blowers any more than their current favorite, either, says Canadian Breweries Ltd., Toronto.

Canadian Breweries has just bought the process, which was patented by Dominion Breweries of New Zealand.

Canada, in turn, will probably export the process to Britain by 1957.

Few beer-makers believed it would work, when Dominion's chief brewer disclosed the process last fall at the conference of the Master Brewers Association of America.

But Stanley Parker, production manager, and W. O'Malley, head brewer, Carling Breweries, came back and tried it. With Major F. N. Ward, vice-president of production, Canadian Breweries, Parker hurried to New Zealand.

"It is the greatest advance in brewing technique in years," they reported, and Canadian Breweries bought North American and British rights.

The deal sent Dominion Breweries' shares on the Auckland Stock Market up five shillings from 80 shillings.

The process claims to remove undesirable nitrogenous elements from the brew before fermentation instead of after.

"The new technique makes for a more uniform and much better product," says George M. Black, Jr., president, Canadian Breweries.

Experiments are now being made to adapt the process to Canadian Breweries' methods. The new beer is expected on the market through Carling plants before the end of 1956.

Retail In-Fighting Worst Since 1930s

Merchants Slashing Prices And Throats In War Of Premiums, Give-Away Gimmicks, Deals; Nobody Knows How Big Snowball Will Grow

By DONALD R. GORDON

Canadian retailers are slugging it out in one of the roughest, toughest competitive years since the lean 30s.

Keen—often cut-throat—competition in foods, appliances, automobiles, hardwares, furniture and filling station supplies is forcing smaller markups, lower profits and a rising tide of consolidations.

The weapons are familiar: Trading stamps of various kinds, premiums, "special offers," indirect price cuts and give-aways. Only a few firms are using straight price warfare to boost sales, most are arming themselves with assorted premium schemes aimed at building store traffic and long-term store or brand loyalty.

It's a snowballing deal. Dozens of merchants and manufacturers queried by The Financial Post said they have been forced by competition to sign up for premium and give-away schemes, many more indicate they expect they will have to in the near future.

In some cases, the hoped-for traffic and loyalty isn't being secured.

"Every deal is a wheeling deal," an instant coffee wholesaler told The Post. "As soon as one brand comes up with a special offer, everyone else matches it. You grab business one week with an offer and lose it the next to another one. There's not much brand loyalty in this, it adds up to a straight price cut—below cost in many cases."

There are legal tangles too. Organizations such as the Canadian Association of Consumers and Retail Merchants Association are keeping close watch on premium plans to make sure they don't go counter to Criminal Code prohibition of trading stamps in Canada.

"We urge consumers to remember that whatever goes into the cost of doing business must be paid for by the consumer," Mrs. V. W. G. Wilson of the Quebec CAC branch said. "We are interested in manufacturers or retailers who meet competition by improving quality or by increasing efficiency and so reduce the cost to the consumer."

Retail sales in Canada for the first quarter of 1956 were 9.2% higher than in the corresponding period last year. Value for the period was $2.7 billion. Key indicator: department store sales. DBS's most recent figures show that in the first week of May sales increased 4.4% over the same week in 1955. In the second week the trend was even more pronounced: a whopping 15.6% increase.

In the U.S., department store sales are up 8% over last year's figures for the first half of May.

Investigating Plans

Mindful of difficulties smaller merchants have in competing with larger store's premium deals, the Retail Merchants Association has managed to get several plans stopped because of Criminal Code infractions. Currently, steps are being taken to investigate a plan being operated by merchants in Ottawa.

Basis of the RMA cases: Products must be kept on display in stores, value must be given on coupons issued, stores must prove ownership of premium goods, coupons must be cashable at any

(Continued on page 8, col. 2)

Simpsons-Sears Strikes Westward

Simpsons-Sears Ltd. is starting its big push into the prairies.

This week it announced immediate start on a large department store at Edmonton, to be opened in 1957.

And it already has under way architectural plans for similar large stores in Calgary and Winnipeg.

These three outlets are next in line for the mushrooming retail and mail-order chain. Right now a store at Kingston, Ont., is being completed to be opened in the fall.

Edmonton will make the 12th major department store for Simpsons-Sears and when Calgary and Winnipeg are opened, the company will have just about completed its program aimed at 15 stores by the end of 1957.

Simpsons-Sears has one department store on the Prairies — at Moose Jaw. In British Columbia it has outlets at Burnaby (a Vancouver suburb) and Nanaimo and land for a future store in Victoria.

The Edmonton store will be built on a 10-acre plot on 118th Ave. and Princess Elizabeth Ave. Total floor area will be 155,000 sq. ft. with the building measuring 290 ft. by 450 ft. It will have two floors and a basement. A 10-car service station with parking for 800 or more cars will be included.

It will carry a complete range of merchandise as one of the chain's largest stores. The building will be air-conditioned and will feature a restaurant, escalators, ceiling-to-floor windows for visible shopping.

Rule, Wynn & Rule of Edmonton are architects and Christensen & Macdonald, Edmonton contractors, have been awarded the general contract.

Shutdowns Will Kick Off Mid-July Vacations Rush

When to take your holiday? When can tourist operators expect the big rush? Here's a special Post report with the answers.

By JACK McARTHUR

Given good weather, a record rain of holiday dollars will flood into Canada's travel and tourist industry in four frantic weeks beginning in mid-July.

Two things will aid the holiday boom:

- The increasing tendency for industrial plants to shut down for two weeks in the summer rather than stagger holidays among their employees.
- The fact that the last two weeks in July and the first two in August are the most popular choices for plant shutdowns. The major exception: The big auto makers.

And here's a tip to people who have a choice of holidays:

If you must take holidays in July or August, make it the first half of July, preferably; take the last half of August as a second choice. Chances are beaches, resorts, golf courses, trains, planes and highways will be less crowded.

Best of all from this point-of-view is the June or September holiday. And tourist operators will bless you—the increase in plant shutdowns leaves some of

(Continued on page 7, col. 3)

Sparrow Missile Still Best Bet For RCAF Planes

OTTAWA (Staff) — The choice of a guided missile for use in Canada's all-weather fighter CF-100, and its successor the CF-105, is expected to be made in the near future.

Unless some last minute change occurs to upset present thinking, the chosen missile will be the "Sparrow II" which has been developed by Douglas Aircraft for the U. S. Navy.

The Government plans to have the missile manufactured in Canada, but this depends on negotiations with the U. S. makers for a licensing arrangement.

Some expert opinion is understood to have been advocating adoption of the U. S. Air Force's guided missile called Falcon; but it is now virtually certain that the Sparrow II will win the day.

The Falcon, it is explained here,

(Continued on page 8, col. 4)

Sheraton Plans Move West With New Hotel Challenge

By CLIFFORD FOWKE

The Sheraton Hotel planners are looking at Western Canada with a building gleam in their eye, and a challenge on their drawing boards.

If Sheraton moved westward with a chain of "long and low" suburban hotels, it would mean:

- A drain on the trade of big railway hotels.
- A threat to the established motel business.
- More luxury for travelers on city outskirts.

Sheraton Corp. has been checking up particularly on the opportunities of breaking into the hotel business in the principal cities from Winnipeg to Vancouver.

The company already has a $250-million stake in 52 hotels, six of them in Eastern Canada, none in the West, the rest in the U. S.

The firm has now completed an extensive survey of the Prairies and B. C. and is reported to be definitely planning future expansion in this country.

New Type Hotel

Principal weapon behind the expansion move is a new type of hotel, two of which are already being built by the organization in New York State.

The new plan aims to win over the motel trade and pull in downtown hotel trade also. Such establishments will be larger than the hotel-motel establishments built over the past few years outside metropolitan areas, and give top-flight hotel services in a motel location.

One now being built by Sheraton at Binghamton, N.Y., is a four-story structure of "long and low design" with parking facilities for 1,000 autos. The other is going up at Tarrytown at the end of the N.Y. State Thruway.

A representative of Sheraton told The Post:

"Our first expansion in Canada

(Continued on page 8, col. 3)

New U.S. Surplus Offers Called Old-Hat In Ottawa

By C. KNOWLTON NASH
Special Correspondence

WASHINGTON — The U. S. soon may launch another gigantic offering of special deals in the world market to get rid of its farm surpluses.

Serious consideration is being given to putting $1.5 billion worth of farm surpluses up for sale in local currencies, barter and straight giveaway.

A similar program, begun two years ago, has been completed in the past few weeks, getting rid of a total of $1.5 billion worth of surpluses.

The U. S. Department of Agriculture is known to be seeking an okay from Congress to make the huge offering. It feels it may be able to sell, barter and give away the surpluses to the tune of $1.5 billion within another year or two.

Congress is expected to approve another such offering before the present session ends.

The formal request for permis-

(Continued on page 8 column 5)

By MICHAEL BARKWAY

OTTAWA (Staff) — The U. S. Administration's decision to ask Congress for another $1.5 billion for its surplus disposal program comes as no surprise here.

The Canadian Government had gloomily assumed that the program was bound to be continued.

The first $1.5 billion, it is noted here, was originally voted to cover a three-year period up to the middle of 1957. It has actually been spent or committed within a two-year period.

And this vote represents only part of the program, the so-called Public Law 480. It is bolstered by additional giveaways under the Mutual Security Program, which were fixed at a minimum of $300 million for the present year.

President Eisenhower has advocated that next year's required minimum under the guise of mutual security should be fixed at $250 millions.

Canadian officials continue

(Continued on page 8 column 6)

Canadian Firms Look Over Bermuda's Free Port Deal

Canadian manufacturers are looking over Bermuda's latest come-on for industry.

The Bermuda Government has passed legislation making the colony's Ireland Island a free port area—a place where goods can be imported, sorted, processed, then shipped, all tax-free.

Bermuda's location makes the come-on attractive to Canadian firms which import raw materials to Canada and export to the West Indies.

Canada hasn't a free port, although there has been talk of making part of Montreal a free port. The U. S. has several free ports, among them New York and San Francisco.

Ireland Island lies a few miles from Bermuda's capital and major city, Hamilton, and is connected to the main island chain by road. It was a Royal Navy base for centuries, but Britain semi-closed the base a few years ago, handing it over to Bermuda.

For a time, Canada was considering leasing Ireland Island as a base for the Royal Canadian Navy.

At least two Canadian firms, be-

(Continued on page 8, col. 2)

If Pipeline Forced Election How Would Government Fare?

By J. K. EDMONDS

Opposition MP's have been shouting for an immediate election.

Did they really want one? Was the pipeline issue a good one in which to try defeating the present government?

Let's look at the picture cross-country.

The pipeline issue itself wasn't likely to reduce the Liberal majority.

In Alberta, Saskatchewan and Manitoba, the Liberals could gain by the pipeline struggle. If farm policy were the main issue, western seats would likely go to opposition parties in a protest vote.

But in many constituencies west of the Great Lakes, voters have been counting on access to Alberta gas and the pipeline most definitely will give a terrific boost to western personal income. This boost is especially welcome because of the decline in farm income.

Any protest against Ottawa farm policies might well be overridden (for voting purposes) by a protest against opposition pipeline delays.

The theme of "sell-out-to-the-Americans" won't cut any ice in an area which lives on the export of surplus primary products and is eagerly pursuing American capital for development of western industry.

In B. C., the pipeline issue itself might win no friends for the Liberals; but opposition policies

(Continued on page 7, col. 3)

THE SIGNS AND PORTENTS

By ROBERT L. PERRY

CANADIAN TOBACCO men can look for increased competition in the U. K. market. The U. S. and several African countries are stepping into the major-supply picture. Watch Australian tobacco, too. The Down Under country is spending $341,000 on new research to improve its tobaccos.

* * *

KEEP AN EYE, also, on Australian trade with Red China. You may see Aussie wool, agricultural machinery, chemicals and livestock moving behind the Bamboo Curtain shortly. China - Australia trade talks have gone smoothly so far.

* * *

YOU MAY BE able to send birthday cakes by telegraph soon, if a plan being pushed by the Maritime Bakers' Association works out. CNR Telegraph thinks the plan is great. It would work much like the popular flowers - by - wire scheme: Coded wires would go to member-bakers in the various cities, who would whip up festive cakes to order and deliver them.

* * *

PORTABLE TV sets will sell well in Canada this year, boosting unit sales, but some dealers are worried. Reasons: (a) Though unit sales go up, dollar sales may go down — the big set market seems to be more profitable; (b) Portables may move into the first-set market, boosted by "let's buy a small set now and wait for color" consumer thinking.

* * *

A VAST MARKET remains untapped for TV set sales. Canadians own two million sets today, roughly a set for every two homes. That leaves (a) the replacement market, (b) the other non-TV homes, (c) the second-set market for portable TVs.

* * *

CANADIANS WILL continue to buy radios at a healthy pace, too. They purchased 545,590 sets in the fiscal year ended April 30, an increase of almost 30% over 1954. The explanations: (a) Radios in every room at home, (b) a growing population, (c) a boom in portable and auto radios.

* * *

MARITIMERS REJOICE. There's no sign that North America's seemingly insatiable appetite for fish sticks is abating. The Yanks alone ate 66.6 million lb. of fish sticks in 1955 — 40% more than in 1954.

* * *

A QUOTE WORTH noting: "Beginning with the 1956-57 school year, tuition fees will be abolished in . . . (Soviet) specialized secondary schools and higher educational establishments." — Soviet News Bulletin issued by the USSR embassy, Ottawa. Between now and 1960, the Soviet expects as many technical specialists to graduate as graduated between 1946-1955.

* * *

WATCH FOR the European Coal & Steel Community to float a $100-million bond issue in the U. S. soon. This organization, the white hope of those working toward European economic integration, has successfully raised capital privately in Europe. It's said to be in rosy-cheeked financial health.

* * *

HAVE YOU EVER seen a real mirror? Doubtful. In most "mirrors" you see a reversed image; you couldn't read a book through one, for example. A U. K. firm now says it has patented the world's first true mirror — two wings of mirror glass fixed at an angle to each other, reflecting a true image.

Stock Market Highlights

Industrials

Canadian industrial stocks turn steadily higher in strong rebound from three-week decline. Toronto industrial index adds 13 points and Montreal papers well ahead. For details on some of the stocks that moved, see page 4.

Beaver Club buys five shares of **Canadian Bank of Commerce.** For the latest monthly report of this real investment club see page 11.

Manager of the **MacNab** investment account reports sale of **Dominion Textile** convertible debenture and **Abitibi** preferred. Latest purchases are **British American Oil** and **Bank of Montreal** common. Changes are reported on page 11.

Mines and Oils

Some uraniums, oils sell higher Tuesday including Spanish American-Lake Nordic-Panel group featuring proposed Northspan merger.

Midrim Mining, up from recent $1.30 a share price to $1.70 bid, announces discovery of very pure salt bed west of London with plans for production now being formulated.

Stanleigh Uranium sells up to new high of $2.90 on over-counter market as company expects to get Eldorado contract permitting 3,000-ton mill and $16-$18 million of finances reported arranged.

New Jaculet, a recent market strong spot, selling up to $1.65 now has five drills working from land and is rumored to have picked up new zone.

Bouzan firms to $2.75 as decision made to step up number of drills to seven as preliminary to sinking of shaft.

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TransAtlantic Air Charter Costs $2 a Mile

OTTAWA (Staff) — First of Maritime Central Airways' non-scheduled transAtlantic flights to Europe will be a June 11 charter by the National Federation of Canadian University Students. The students and professors, representing all major Canadian universities will fly from Montreal to London, then on to Amsterdam. Return trip will be in September.

Some 25 or 30 other groups have booked MCA's DC-4 for flights later this summer. With the exception of one landing at Paris and two at Amsterdam, all flights will be to London. Departures will be from either Toronto or Montreal.

Cost is $2 per mile for the 3,563-mile flight. The chartering group assumes responsibility for the cost of three one-way crossings, unless it can arrange for a European group to occupy the aircraft on one of the flights that would otherwise be empty.

Return fare, if the chartered plane is fully loaded, works out to approximately $350 return for each group member. If the group arranges for occupancy on one of the plane's deadhead trips, per-person cost is reduced by as much as one third.

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Trend of Business

Department store sales keep up hot pace. In the week ending May 26, cash registers in these stores rang up a sales total 8.2% larger than a year before. Stores in all provinces showed gains except in Manitoba where the decrease was 1.7%. Largest rise occurred in Alberta where sales climbed 14.3%. This is part of a long-standing pattern. The week before, the cross-Canada year to year increase was 9.3% and a month earlier the gain was 7.9%.

A look at the wheat situation: On May 16 Canadian wheat supplies at 336 million bu., were running 4.2% higher than a year earlier. But crop year marketings are also higher. Overseas export clearances topped 7.2 million bu., during week ended May 16—twice as high as a year before. In the same week, prairie farmers marketed 10.3 million bu., also twice as much as a year ago. This raised total prairie marketings for the crop year to 187 million bu., up 4.6% from same period in the year before.

Coal mine operators boost output through first months of '56. During April, production came to just under 1.1 million tons or 14.8% more than in the same month last year. This boosted January-April total to 5.5 million tons for an 8.2% gain. Coal imports also up: April's 1.9 million tons were 2.7% higher than those in April, '55 while first four-month imports at 4.1 million tons were up 13.3%.

Housing starts off to a fairly good beginning this year. Unofficial estimates for the first four months place housing starts 6.5% ahead of those a year ago in spite of bad weather and a reported lack of serviced land. Prairie building is going best with a 30.9% gain. Then come the Atlantic provinces, 19.3%; Quebec, 13%; Ontario, 5.4%. B. C. housing starts in the first four months are thought to be down about 16.8% from the same period a year ago.

But housing completions for full year '56 may be lower than in '55. CMHC notes that lending activity under its regulations declined by 15.2% in the January-April period as against the same months last year. This could mean, it is thought, the year's completed housing units might be 15%-20% lower than in 1955. This year's possible cut-back in mortgage lending is considered a reflection of business' heavy demands for expansion capital, tighter credit conditions and generally higher interest rates on other forms of investments.

Cement manufacturers report steady gains. New releases reveal Canada's 12 cement manufacturing establishments shipped a record 25.1 million bbls., in 1955 for a gross take of over $65.6 millions. This represents a year-to-year output gain of 12.2% and income increase of 11.2%. Industry employs some 2,800 persons whose salaries and wages come to more than $10.9 millions.

Railway income up sharply. Latest figures on railway income and outgo in 1955 reveal: Operating revenues totaling $1,184 millions were 8.9% higher than the preceding year's due largely to steeply higher freight revenues; operating expenses rose 2.4% to total $1,038 millions. Result is a $146-million rise in net operating revenues, double the year before. This means operating income for '55 came to $94 millions as against $34 millions in '54.

More gold. March production reached 384,508 fine oz., 3.3% larger than a year earlier. This brought first quarter output to over 1.1 million fine oz., for a 1.8% year-to-year advance. About 63% of gold production comes from Ontario mines where a 4.3% quantity output gain was well above the industry's average.

Industrial employment index hits new March high. Standing at 113.1 (1949=100) at Mar. 1, the index marks up a record for the year to date and indicates that a tight labor market may well be shaping up for the summer months. It's 7.1% above a year earlier and 2.8% higher than the previous March peak reached in 1953. Return to work in plants strike-bound since last September is the biggest single factor in bringing about what the experts estimate is a 0.7% contra-seasonal rise.

Major Weekly Indicators

	Latest Week	Week Ago	Month Ago	Year Ago
Department sales (% ch. from year earlier)	+8.2%	+9.3%	+7.9%	+5%
Carloading totals (cars)	77,562	86,121	83,204	85,837
Eastern Canada (cars)	50,668	55,069	52,573	54,693
Western Canada (cars)	26,894	31,052	30,631	31,144
Iron & Steel (mfd.) (cars)	1,338	1,621	1,711	1,371
Ores, concentrate (cars)	8,235	7,329	4,104	7,277
Base metals (cars)	600	612	628	577
Lumber, timber, plywood (cars)	3,928	3,904	3,642	4,921
Cement (cars)	1,120	1,330	1,371	1,298
Passenger car prod. (no.)	10,937	6,642	10,613	11,012
Truck production (no.)	2,415	2,162	2,719	2,744
Bus. failures 4-wk. moving av. (no.)	26.7	26.0	30.5	27.3
Chartered Bank				
Personal savings ($ millions)	5,839	5,852	5,826	5,482
Loans outstanding ($ millions)	5,308	5,238	5,163	4,101
N.H.A. mtge. holdings. ($ millions)	372	368	357	128
Bank of Canada holdings of securities ($ millions)	2,296	2,309	2,340	2,188
Short-term govern. ($ millions)	1,070	1,066	1,089	1,358
Long-term govern. ($ millions)	1,177	1,194	1,197	818
Other Securities ($ millions)	37	37	42	12
Canadian dollar (U.S. cents aver.)	101.080	100.994	100.527	101.607
T.S.E. industrial index	452.13	439.90	462.73	408.67
Dom. Bonds yield index ('35-'39=100)	114.2	115.5	116.5	96.0
Yield 114 stocks	4.61%	4.61%	4.39%	4.39%
Bank Clearings				
Montreal ($ millions)	768	604	858	695
Toronto ($ millions)	1,101	948	1,162	859

Facts by the Month

	LATEST MONTH AVAILABLE	One Month Previous	Two Months Previous	One Year Previous
WHAT WE PRODUCE—				
In all industries (Index)	277.2	266.4	257.7	251.9
In factories (Index)	282.8	269.9	259.5	259.5
Total nondurable goods (Index)	242.0	232.7	223.3	222.2
*Food & bev. (Index)	218.6	199.4	193.4	200.4
*Textiles (Index)	209.7	198.3	179.0	196.1
*Clothing (Index)	168.9	165.3	156.6	154.0
*Chemical products (Index)	300.7	291.3	289.2	264.0
Total durable goods (Index)	345.4	328.1	316.1	318.0
*Iron & steel products (Index)	330.2	328.4	306.0	271.5
*Primary iron & steel (Index)	437.0	425.8	391.5	336.2
From mines (Index)	249.7	242.7	238.9	203.8
*Metals (Index)	136.3	130.3	130.1	126.6
*Nonferrous smelting, refining (Index)	238.9	224.2	220.6	262.3
*Gold (Index)	111.4	105.8	104.0	104.0
—From farms				
Hogs graded (000)	449	493	590	409
Cattle delivered (000)	129	142	156	118
Flour (Index)	135.7	129.5	129.2	140.8
—From sea				
E. Coast catch ($000)	1,796	2,008	2,063	1,664
W. Coast catch ($000)	1,152	2,287	1,493	244
—From forests				
Newsprint (000 tons)	553	515	523	539
Pulp (000 tons)	843	818	866	786
—In powerhouses				
Electricity (Index) (seasonally adjusted)	285.4	286.7	288.1	291.9
WHAT WE SELL—				
Retail sales ($ millions)	1,045	864	880	916
Dept. store sales ($ millions)	94	75	74	82
Wholesale sales ($ millions)	654	528	473	526
Mfrs. outstdg. orders ($ millions)*	2,798	2,859	2,898	2,339
Pass. car sales (units)	36,351	23,267	16,859	30,937
WHAT'S ON HAND—				
Mfrs. inventories ($ millions)	4,393	4,359	4,280	4,149
Dept. store stock sales ratio	2.6	3.1	3.9	2.9
SPENDING, SAVING POWER—				
Labor income ($ millions)	1,093	1,080	1,125	996
Dividend payments (Index) (annual rate)	297.0	294.5	292.7	263.7
JOBS—				
Persons with jobs (000)	5,326	5,241	5,216	5,123
Jobless seeking work (000)	257	295	308	327
Do. (% of labor force)	4.4%	5.3%	5.5%	6.0%
CONSTRUCTION—				
Contract awards ($ millions)	281	178	219	189
FOREIGN TRADE—				
Exports ($ millions)	333	353	366	355
Imports ($ millions)	466	407	404	376
MONEY—				
Money supply ($ millions)	5,604	5,791	5,849	5,392
Cheques cashed ($ millions)	14,570	15,198	15,276	12,432
Life insurance sales ($ millions)	273	247	272	240
Notice deposits ($ millions)	6,257	6,197	6,154	5,972
Current public loans ($ millions)	4,952	4,901	4,889	3,979
PRICES—				
Consumer price (Index)	116.6	116.4	116.4	116.1

*New indices with dollar value replacing index numbers.

Index based: production wholesale sales 1935-39=100; consumer price index, 1949=100; manufacturers' inventories outstanding orders Dec. 1952=100.

STRATEGIC MATERIALS—Production and Supply—

	Latest Month	Month yr. ago	Yr. to date	% chge. yr. to date
Steel ingots and castings (000 tons)	441	365	1,275	+24.7%
Primary copper (000 tons)	32	27	89	+13.1%
Nickel (000 tons)	15	15	46	+5.0%
Cement (000 bbls.)	2,077	1,856	3,857	+12.1%
Lumber (millions fbm.)	641	634	1,318	—4.2%
Lumber exports (millions fbm.)	304	340	618	—9.1%

*New item this week.

Date of issue for your file, The Financial Post, June 9, 1956.

ANNOUNCING

Important appointments in Canadian Industry, Finance, Business and Government.

Advertising and Sales Club, Hamilton, Ont. — Stephen W. Thompson, Credit Bureau of Hamilton, president; W. C. Searle, Nelson Long & Sons, vice-president; H. E. Dennison, Russell T. Kelley Co., secretary; James Brechin, General Insurance, treasurer.

Aer Nickel Corp. (Toronto) — A. E. Rosen, Port Credit, Ont., president and director; Andrew Robertson, Toronto, vice-president and director; J. Murray Anderson, sec.-treas.; W. L. Hogarth, assistant sec.-treas.; J. M. Kilpatrick, general manager; Van H. Smith, Toronto, J. Dumaresq Smith, Roche's Point, Ont., and A. B. Shore, Newton Centre, Mass., directors.

Algoma Steel Corp. (Sault Ste. Marie, Ont.) — D. S. Holbrook, executive vice-pres. to be president; G. W. MacLeod, to be president, Algoma Ore Properties Ltd.; H. J. Allen, president, Canadian Furnace Co., both the latter, Algoma Steel Corp. subsidiaries.

Anglo-Newfoundland Development Co. (Grand Falls, Nfld.) — W. E. Soles, vice-president, general manager and director Anglo-Canadian Pulp and Paper Mills Ltd., a director; T. R. Moore, general manager and director, Anglo-Newfoundland Development Co., vice-president.

Bank of Nova Scotia (Halifax) — Hon. Salter A. Hayden, Q.C., Toronto, a director.

Bruck Mills Ltd. (Montreal) — James R. Adamson, Ontario sales manager, shirtings, home furnishings and industrial fabrics division; Jack Spring, Ontario sales manager, suitings and sportswear fabric division.

BullDog Electric Products Co. (Canada) (Toronto) — D. J. McIntyre, Calgary; R. C. Crichton, Hamilton; F. G. Downey, London; G. Liboiron, Montreal, sales representatives.

Bulloch's Limited, (Winnipeg) — Allan H. Watson, director.

Burgess Battery Co. (Niagara Falls, Ont.) — Alex Yule, general manager, to be vice-president, in charge Canadian Division.

Burlington Steel Co. (Hamilton) — R. D. Fraser, assistant general manager, a director.

Canadian Carborundum Co. (Niagara Falls, Ont.) — D. A. McCarter, district sales manager, Central Canada.

Canadian Chemical Co. (Montreal) — Stanley McCready, manager chemical sales; John Zabinski, central district manager chemical sales; Ian F. Edgar, eastern district manager chemical sales, headquarters Montreal; Peter J. Raven, supervisor, operations control; A. J. Cousins, sales representative, special products.

Canadian Stock Exchange (Montreal) — A. S. Beaubien of L. G. Beaubien & Co. and W. L. Downes of W. D. Latimer & Co., new members Board of Management.

Canuba Manganese Mines Ltd. (Toronto)—Joseph W. Frazer of New York, a director.

Carleton College (Ottawa) — Hon. Brooke Claxton, Q.C., vice-president and general manager Canadian office, Metropolitan Life Insurance Co. in Ottawa, member of board of governors.

Deacon, Findley, Coyne Ltd. (Toronto) — A. P. Fisher and H. J. Knight, formerly partners in Walwyn, Fisher, & Co., now associated with them.

Dominion Glass Co. (Montreal) — F. N. Dundas, vice-pres. and sec'y, to be executive vice-pres. and a director; Norman W. Meldrum, manager Redcliff, Alta. operations to be vice-pres. and assistant general manager; J. R. Mackenzie, manager Hamilton factory to be vice-pres., manufacturing.

Dominion Magnesium Ltd. (Toronto) — John Thomson, general manager and director succeeding L. G. White, resigned.

Electrohome (Kitchener, Ont.) — Norman J. Long, industrial and public relations director.

Fiberglas Canada Ltd. (Toronto) — S. V. Musselwhite, general traffic manager.

Gairdner & Co. (Toronto) — J. F. Plewman, director, to be member executive committee.

Gent Advertising Ltd. (Toronto) — W. R. Roman, production manager; Howard M. Maynard, senior executive and merchandising consultant.

Gravell Builders Supply Ltd. (Hamilton) — with subsidiaries Gravell Brick Co. and Gravell Stone Co.: J. W. Duncan, general sales manager; W. F. McCreadie, to establish new office at Calgary; J. Hodgkinson, credit manager.

Guaranty Trust Co. of Canada (Toronto) — Ewart R. Angus, president Caminex Corp. and Canso Investments Ltd., etc., a director.

F. H. Hayhurst Co. (Toronto) — Angus Hunter, research director, Bern Keeler media manager.

Imperial Bank of Canada (Toronto) — R. S. Waldie, former chairman to be honorary president, continues as director; L. S. Mackersy, previously president, to be chairman and remains as chief executive officer; J. S. Proctor, previously vice-president and general manager, president; E. J. Friesen, former senior assistant general manager, general manager.

John Inglis Co. (Toronto) — H. S. Reinke, manager boiler and pressure vessel department succeeding G. R. Pritchard, recently named manager Inglis' refrigeration division; J. M. Brokenshire, manager pressure vessel sales.

Johnson & Higgins (Canada) Ltd., insurance brokers (Toronto) — R. M. Gaby, Thomas W. Newton and G. S. Watson, to be vice-presidents, continue as account executives at Toronto office; Leon Christen, manager boiler and machinery division, at Toronto; A. W. Deakin and Geoffrey Bailey, manager and assistant manager, fire department at Montreal.

S. S. Kresge Co. Ltd. (Toronto) — H. C. Starkweather, Toronto, vice-pres. and H. B. Cunningham, Detroit, directors.

Manitoba Dep't of Industry & Commerce (Winnipeg) — W. J. Macdonald, chairman, Business Advisory Council.

Keith Mercer Co. (Montreal) — appointed sales representative in eastern Canada, including Ontario, Quebec, and the Maritime provinces for Fielden Instrument Division of Robertshaw-Fulton Controls Co.

Minneapolis-Honeywell Regulator Co. (Toronto) — W. H. Evans, president.

Mitchell Manufacturing Co. (Toronto) — A. G. Daley, sales manager, Federal Pacific Electric Products division, and a director.

Morrison Steel & Wire Co. (Vancouver) — A. B. Cliff, president; J. E. Stark, executive vice-pres. and managing director.

Ontario Weekly Newspapers Association (Toronto)—William James of Canadian Statesman, Bowmanville, president.

Rheem Canada Ltd. (Hamilton) — Trumbull Warren, president.

Royal Securities Corp. (Montreal)— A. S. Price, manager Quebec office; E. B. Ruthven, representative, Victoria office.

Sidney Roofing & Paper Co. (Victoria) — including western subsidiaries: National Paper Box Ltd. and Vancouver Paper Box Co., J. A. Craig, formerly vice-president and general manager, to be president and managing director; of Sidney Roofing and president of two subsidiaries; R. W. Mayhew, former president Sidney Roofing to be vice-chairman three companies; T. N. Finical, vice-pres. manufacturing, Sidney Roofing & Paper Co. and a director Bishop Asphalt Papers Ltd., eastern subsidiary of Sidney; D. Spence to be vice-president and managing director two western subsidiaries; Harold Mears, vice-president sales Sidney Roofing; H. E. Brown, secretary and treasurer of the three companies to be director, Sidney Roofing.

Spartan Air Services Ltd. (Ottawa) — William (Bill) Hardy, chief forestry photo interpreter of air photo interpretation section.

Sunbeam Corp. (Canada) (Toronto) — L. F. Fitzpatrick, chairman; L. W. Prestin, president.

Toronto-Dominion Bank (Toronto) — Allen T. Lambert an assistant general manager to be general manager, succeeding William Kerr. Kerr continues as vice-president and director.

Trans-Canada Air Lines (Montreal) — A. J. (Ab) Darkes, regional manager, purchases and stores at Toronto.

Travelers Insurance Co. (Hartford, Conn.) — Roger Cote, field supervisor, Montreal.

Wabasso Cotton Co. (Three Rivers, Que.) — L. W. Townsend, director and member executive committee.

Western Life Assurance Co. (Hamilton) — W. E. Brunning, formerly chief agent in Canada for North American Life and Casualty Co. of Winnipeg and Minneapolis president and managing director.

York Farms Ltd. (Toronto) — A. Dees, president and managing director.

A.M.A. Toronto Chapter Elects New Directors

American Marketing Association, Toronto Chapter, has elected Clifford Balson, McKim Advertising Ltd., president for 1956-57.

Others elected are:

Vice-presidents: D. S. Catton, Public & Industrial Relations and J. N. Milne, MacLaren Advertising Co.

Secretary: Miss Georgina de Weerdt, Lever Bros. Ltd.

Treasurer: W. F. Nugent, Spitzer & Mills Ltd.

Directors: N. C. Gent, Weekend Picture Magazine; A. T. MacKenzie, Canadian General Electric Co.; D. B. McCaskill, McKim Advertising, Ltd.; R. G. Scott, Maclean-Hunter Publishing Co.; Walter A. Smith, T. Eaton Co.; G. W. Whidden, Canadian Manufacturers' Association.

Past - presidents: Logan R. Brown, Lever Bros. Ltd.

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Auto Production

	Wk. End June 2	To Date 1956	To Date 1955
Am. Motors:			
Hudson	52	963	....
Nash	108	2,402	....
Total cars	160	3,365	1,935
Chrysler:			
Chrysler	160	3,596	....
Desoto	38	1,169	....
Dodge	1,341	25,428	....
Plymouth	1,083	21,612	....
Total cars	2,622	51,805	46,225
Dodge	190	2,734*	....
Fargo	170	2,467	....
Total trucks	360	5,201	3,884
Cars, trucks	2,982	57,006	50,109
Ford:			
Ford	1,619	37,884	....
Mercury	192	4,557	....
Meteor	1,059	17,347	....
Monarch	168	4,617	....
Total cars	3,038	64,405	55,642
Ford	325	10,337	....
Mercury	45	4,231	....
Meteor dlvy.	20	375	....
Total trucks	390	14,943	11,751
Cars, trucks	3,428	79,348	67,393
GM:			
Buick	744	8,057	....
Chevrolet	2,120	23,267	....
Oldsmobile	438	4,832	....
Pontiac	1,671	20,577	....
Total cars	4,973	56,733	86,608
Chevrolet	809	9,381	....
GMC	502	6,693	....
Pontiac dlvy.	54	586	....
Total trucks	1,365	16,660	16,855
Cars, trucks	6,338	73,393	103,463
International:			
Trucks	300	7,695	3,616
Stude.-Pack.:			
Studebaker	144	4,912	4,585
Trucks	....	....	242
Cars, trucks	144	4,912	4,827
All cars	10,937	181,220	194,995
All trucks	2,415	44,499	36,348
All vehicles	13,352	225,719	231,443
Prev. wk.	8,804	....	....
Last yr.	13,756	....	....

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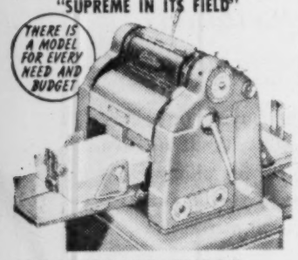

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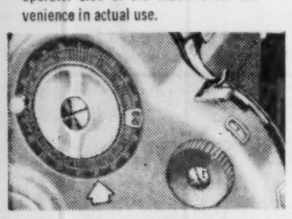

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Canadians Must Think Afresh About Aid to "Underdeveloped" Countries

Conference at U. of T. Studies Problems of Assistance: How Much Capital, Technical Help? Should UN Handle It?

By J. B. McGEACHY

What is now called "aid to underdeveloped lands" was not a bright idea suddenly born about the year 1950. It has been going on for generations. The great colonizers, the British, the French, the Dutch and the rest, all sent capital and technical assistance to economically backward countries. Brazil can show an example from Canada.

Most of the money and expertise needed for this kind of enterprise was supplied, of course, by investors interested in profits. There were gifts, of skill or money or good will, by governments and by medical missionaries, rich philanthropists, explorers and other imaginative people; but the private man with nothing but spare funds was the backbone of the effort.

J. B. McGeachy

He was perhaps an imaginative man too but few people saw him in this light. Even if he wanted to see fair wages or fair royalties paid in the countries from which he drew dividends, he was not usually credited with benevolence and his contribution was not called "foreign aid." It was foreign aid just the same.

New Kind of Help

Investment is still the soundest method of helping the underdeveloped lands to make progress. Certainly it is still needed. But today it is being supplemented (not, one may hope, supplanted) by outright gifts through the Colombo Plan, the point-four program of the U. S. and the UN technical aid fund.

So far as Canada is concerned, the countries that qualify for this new kind of help are chiefly the Commonwealth nations of India, Pakistan and Ceylon; but small amounts of Canadian aid have gone outside the family to Burma, Indonesia and Indo-China.

These Asian countries are by no means "underdeveloped" in art or thought. As everyone knows, they write poetry, paint pictures, design buildings and think out philosophical systems quite as good as ours if not superior. But they are far behind in using machines to provide the comforts of life. What is more, they admit their shortcoming and want to correct it.

This should not be taken for granted for it is really something new. Until quite recently there were Asian leaders who rejected not only Western rule but Western values. Mahatma Gandhi, with his spinning-wheel, homemade loincloths, hatred of machines, dislike of public health measures and life-reverence that didn't exclude adders and mosquitos, was far more deeply anti-Western than his successors.

Eager for Progress

Today it is either a romantic dream or an exploded fallacy, as you choose, that Asia's old ways are best for the Asians. They want to eat three meals a day, in this world as well as the next. If material advancement compels them to revise old doctrines about nirvana and resignation to fate, a man like Pandit Nehru is quite ready for this change too.

The Asian may still fear the foreigner bearing gifts if they are tied with political string; but he has caught the idea that food is better than hunger and that other people think it their duty or good business, or both, to help him out of his poverty.

In this new climate of opinion and feeling, Canadians must soon do some fresh thinking about these questions: How much capital aid can be given by Canada and profitably used by our Asian friends? How much technical aid, which means either sending trained Canadians to Asia or training Asians in our schools? And finally, to what extent should future help move through UN instead of two-way arrangements, as at present, between giver and beneficiary?

A recent conference at the University of Toronto, organized by the United Nations Association of Canada, considered these matters. It was attended by professors, officials, Asian spokesmen and serious-minded members of the public. Intellectuals all — "eggheads" in current American; but it is a mistake, as North Americans know better than anyone else, to brush off what the eggheads say. Their function is to think today what the rest of us will probably think tomorrow.

Canada's Part

Canada's economic aid, creditable in the past, will run to about $35 million in 1956-57. Nearly all this money will be spent on Colombo Plan capital gifts, of which past examples are a hydro project in India, an experimental livestock farm in Pakistan and a fish refrigeration plant in Ceylon. Canada will contribute $1.8 million to UN technical aid. Among 72 givers to this fund, Canada ranks third after the U. S. and Britain.

It is unrealistic to say that Canada can't afford to give more, seeing that present aid takes one eighth of 1% of the national income or about $7.50 a year per Canadian family. It is merely silly to say, as starry-eyed enthusiasts do, that the annual amount should be boosted to a billion. This is more than the taxpayers would willingly subscribe. It is probably more than the Asians can properly use, from one country, with advantage.

The formula is not "think of a number." Help has to be shaped to needs and the recipient's ability to use it. There is no point in sending expensive machines which rust because no Asian knows how they work. Canada, all the experts say, has so far avoided this peculiarly foolish kind of waste.

Asian's Need More

Capital aid can be a total loss if it is indiscriminate but the Asians can use more of it, well planned, than they are getting. C. V. Narasimhan of the Indian Finance Ministry, a brilliant economic brain, explained this to the university conference. Around 1950 India formed the intention of doubling national income in 20 to 25 years. The first five-year plan, nearly over, brought a gain of about 18% which is an excellent showing even allowing for India's rapid population growth.

In the second five-year period, soon to begin, India plans public capital expenditure of $10 billion but this ambitious program will certainly involve deficit financing. The Indians can't, or at any rate don't, save more than 3% to 4% of their national income (against 20% or more in Western countries) and have no large reserve for investment. Deficit financing in India means only one thing. It means printing more paper money.

Thus there's an inflationary danger in the Indian plans; and in these days no country can insulate itself against economic blizzards that start elsewhere. This is perhaps the best business reason, apart from goodwill, why India's friends should take some of that capital-spending burden off Indian backs.

Grace and Gratitude

It is hard to give gracefully and hard to receive gratefully, quoted Mr. Narasimhan; but he said there has been both grace and gratitude in Canadian-Indian financial relations. Indians may look for political motives when rich friends bring largesse but after all, if politically mature Canadians can work themselves into a passion about a gas pipeline to be built by Americans, what is to be expected in Southeast Asia? (Mr. Narasimhan's question, not mine.)

India, some may be surprised to learn, has accepted no aid from Russia. Imported Russian steel is to be paid for. Russian technical help has been given through UN and therefore, in Indian eyes, it bears the UN label.

But the Indians will take Colombo aid though it would be a mistake to suppose that they are standing around helplessly waiting for it. As against their own plan for a $10-billion capital outlay, plus the investment of private domestic capital, they expect foreign aid to come to about $1.7 billion in the new five-year period. It is a leg up, not an absolutely indispensable lifeline.

Technical Assistance

On technical assistance the conference discussion took an odd turn. The speakers were experts in scientific and technical education. All but one of them sounded as if the question were how to meet Canada's own need for men with engineering knowledge or skills. There is a shortage, perhaps sufficiently explained when it is noted that the proportion of engineers to workers in industry was one to 368 ten years ago and is today about one to 145.

The scarcity is due rather to a lack of candidates for engineering degrees than to a lack of room, teaching staff and laboratory equipment at the universities. Just why students aren't crowding the engineering schools is apparently not clear. The only reason suggested at the conference, and it hardly seems an adequate one, is current high pay for untrained or nonprofessional workers. Technicians, it appears, are even scarcer than engineers; there is need for more good technical schools.

If Canada has not enough to fill home needs, how can there be a surplus for export? Somehow there is, though the demand from the underdeveloped lands cannot always be filled according to specifications.

Ph.D.s in Demand

It used to be said that the words "failed B.A. Oxon" after a man's name were a handle good enough to open doors in the East. Not so nowadays, it seems. When the Asians want a Western technician, they ask for a Ph.D. and preferably a Ph.D. with about ten years' experience, no family, a winning personality and a zest for travel. Such paragons are rare; but the men who are actually sent appear to be giving satisfaction. On the other side of technical aid, the training of Asian students in Canadian schools, the record is fairly consistent success with an inevitable but small percentage of misfits.

A. F. B. Stannard of the Defense Research Board at Ottawa told the conference about Russia's enormous strides in education, including technical training. According to Mr. Stannard, this country must multiply its university enrollment by two and one half just to be even with the Soviet Union. All present were agreed that Canada should make the effort but it will involve a staggering increase in the national budget for university buildings, staff and equipment.

UN in the Picture

The reference to Russian progress leads to the question that was perhaps the most controversial one discussed. Should the United Nations take over the whole business of economic aid? UN at present handles technical assistance but not capital grants. A proposal now on the table would extend its functions and create a new alphabetical agency called SUNFED, standing for Special United Nations Fund for Economic Development.

SUNFED, which would administer capital aid for industry and for non-self-liquidating projects like schools and highways, is still only an idea. A UN resolution calling for its creation has more than a dozen sponsors, including Canada, but the United States is not enthusiastic; and for obvious reasons American opinion carries a lot of weight.

There are arguments in favor of continuing the present bilateral system. It generates goodwill, as between Canada and India for example. It gives the donor a chance to shine and be identified in special fields of endeavor. Thus Canada has been particularly useful in aerial surveys, hydro projects and agricultural know how.

Competitive Aid Disliked

The case for giving the job to UN appeals most persuasively to the beneficiaries. They don't like the notion that the two power blocs in the world are competing, with money, for influence in Asia.

A Canadian can grasp this point clearly by imagining that a Russian offer to build the gas pipeline had complicated the recent disturbances in Ottawa. Suppose the Moscow Gas Bureau (or whatever it would be called) had put in a bid for the right to do the job. Suppose also that the Moscow pipe would be sure to arrive wrapped in extracts from the works of Lenin and the American pipe wrapped, just as certainly, in pages from Thomas Jefferson.

A country in a position to choose between American money and Soviet money might seem to be sitting pretty. The Asians do not feel this way about it. They are wounded by the theory that money can buy their allegiance and affect their policy decisions. There is no use arguing with them on this point. That is how they feel; and undeniably they've been given reason to think that Western aid, like Russian aid, has political implications.

The Propaganda Curse

As the people on the receiving end, they are not in a position to decide how help should be given. All they can do is refuse it if they don't like the strings. What they ask is that the propaganda curse should be taken off the aid programs by putting them all under UN auspices.

C. W. McDOUGALL

has been appointed general manager of Dennison Manufacturing Co. of Canada. He joined the company in 1947, was formerly director of marketing and resided in Toronto. He will now reside at head office, Drummondville, Que.

This would be a hard decision for the U. S. and other Western countries to make; but they should keep these two points in mind. If American help has won less goodwill than expected, this is precisely because (Asians say) it has been accompanied by invitations to join security pacts. The second point is that the competitive element won't disappear even if UN takes over. Some machines, supplies and technicians will still be Western, others will still be Russian, and the appropriate tags and opinions will go along with each.

President Eisenhower is cool to the SUNFED project but he recently said, revising an earlier attitude, that Americans should recognize every country's right to be neutral if it pleases. If this is firmly the new American line, aid without propaganda would be in order. After all, it must be the Western opinion that Asians, if their standard of living improves, will freely prefer democracy to communism.

The people at the conference seemed to have no doubt that SUNFED will in due course be born. That it should be born, and that Canada's aid should be increased, were their main decisions.

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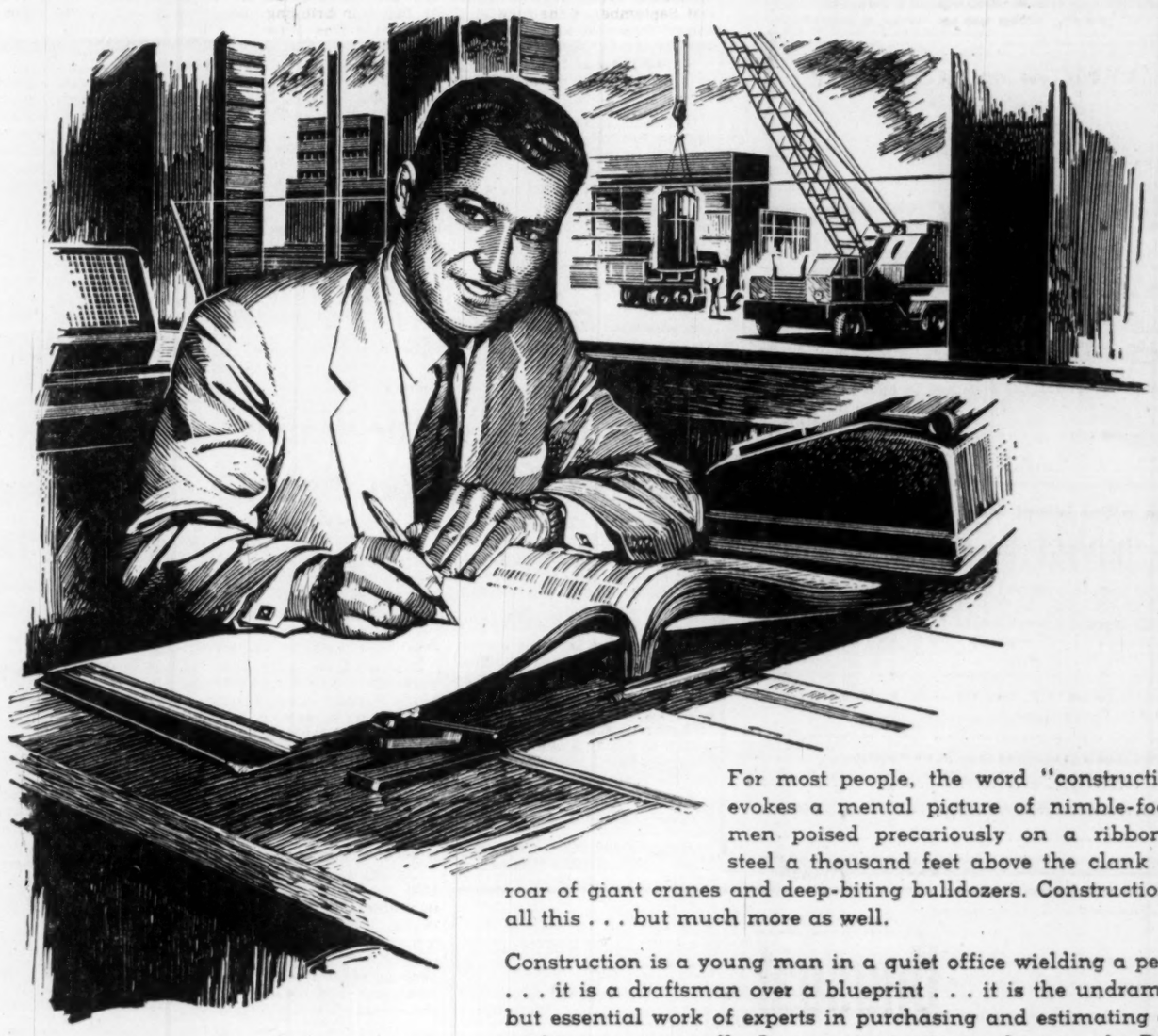

"Archie" Altobelli, Junior Accountant, is being trained in the main office with additional experience being gained in field and "job" offices.

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Du Pont Proposes Corporate Structure Change

MONTREAL (Staff) — Shareholders of Du Pont of Canada Securities Ltd. have been asked to approve a proposal to eliminate its present two-company corporate structure.

Under the proposal business and operation of company's wholly owned subsidiary — Du Pont Co. of Canada Ltd. — would be transferred to the parent company and the subsidiary subsequently wound up. Name of the parent would be changed to Du Pont Co. of Canada (1956) Ltd.

Since July, 1954, company's total business and operations have been carried on by the subsidiary. Sole assets of Du Pont of Canada Securities Ltd., other than a small amount of cash, are total issued capital stock of the subsidiary.

Chairman of the Board, G. W. Huggett and President H. H. Lank say the move is being proposed in order to achieve economies and simplicities of a single company corporate structure. In addition, shareholders will once more own shares in an operating company and thus select the board of directors, which is directly responsible for the operations and business.

A special general meeting of shareholders has been called for June 28, for consideration of the proposal. If approved it would become effective January 1, 1957.

Why They're Moving

Facts and comment on what's going on in the market and rumors behind some of the moves.

By FRANK KAPLAN

Strong rally in stock markets wipes out about half of over-all losses which occurred in a steady three-week sag. Rally described as "healthy and sharp" and proving that market is acting "normal" analysts say. Strength on Canadian markets when New York closed particularly welcomed. Gains range to better than $5 with interest centred on issues considered market leaders. **Aluminium** adds $6 at $127 and **Imperial Oil** climbs to $49⅝ from $46.

Other features in market include **Canadian Canners** which rises $2 from $39½ as investors take second look at proposed deal with California Packing (FP, June 2) and like what they see.

* * *

Construction stocks turn mildly higher as contracts awarded in Canada run about 27% higher than last year. This increase in construction activity is largely in industrial and engineering categories with the industry predicting a sag in residential activity. With projects like the St. Lawrence Seaway under way and an expected increase of more than $100 millions in spending on new roads, suppliers of vital building materials are attracting investor attention once more following a period of steady weakness. The bright outlook for suppliers is in contrast to gloom over some firms that do the building which are being squeezed by heavy competition.

Here are recent price changes in some of the construction material issues. **Standard Paving** was aided by a 50c extra dividend.

	Latest Price	May 25	1956 High	1956 Low
	$	$	$	$
Asbestos Corp.	39½	39	45	38½
Building Products	34¾	35	40	34
Canada Cement	31¼	29¼	36	28½
Standard Paving	42¼	39½	42½	34¾

THE STREET IS TALKING ABOUT—signs of a further invasion of U. S. financial interests into established Canadian industrial companies. The latest trend differs slightly from the pattern of recent years where major U. S. manufacturing companies entered Canada through purchase of control in firms here. **Canadian Canners**-California Packing proposed deal is along the old lines. Now, U. S. investment men are coming here looking for ways to turn family-held or closely controlled companies into vehicles for investment. Purchase of an interest **Chatco Steel** by a New York investment man may typify a coming patterns. Chatco jumps to $7 from $4.75. Low this year was $3.30.

* * *

The partnership of **Steel Co. of Canada** and **Page-Hersey Tubes** in a "big-inch" pipe mill at Welland briefly in spotlight when Trans-Canada Pipe Lines first announces purchase of pipe in U. K. and then an order with the Stelco-Page partnership. Result of these announcements is a drop of $2¼ in Stelco to $59¼ and Page-Hersey also slips momentarily, later recovering to $87½ from $86 about ten days ago.

Brazilian Traction's troubles show up in annual report. Business increased but when the higher cruzeiro revenue is translated into dollars, profits are down. Brazilian shares, however, edge up from $6⅜ to $7⅛.

* * *

David Holbrook's election as president of **Algoma Steel** taken as good omen by investors with the shares jumping to $103 from $96½ . . . Delayed action move in **Mexican Light & Power** as stock finally reacts to sharp jump in earnings, adding ⅞ at $15⅞ after slipping fractionally . . . **Bell Telephone** slips to $46¾ from $47⅜ after news of rights to buy shares at $37 . . . **Dominion Stores** climbs fractionally to $37 from $36 as company reports 61% rise in profits in year ended March 17.

New **Donnell & Mudge** shares listed following 20-for-1 stock split, trade at $1.20 to $1.25, equal to $24-$25 on old stock, up from $21¾ before split was effective and from $23½ high earlier this year.

* * *

Investment analysts eyeing **Bathurst Power & Paper** which reports an increase in first quarter profit to $1.42 per class A share from $1.36 a year ago. B stock slips fraction to new low at $39. Both class A and class B shares have moved in narrow range so far this year with price range on the A — $65½ high, $62 low — and on the B — $46 high, $39 low. An analysis of the company by Legatt, Bell, Gouinlock, Montreal brokers, emphasizes the class B stock, pointing out that these were selling recently at about nine times earnings to yield about 3.6%, whereas a year ago yield was as low as 1.9%. Dividends last year totaled $1 on the B with the stock selling in a $53-$38 range. Indicated dividends this year, $1.50.

"The A shares have also been a drag on the B stock," says the analysis. "However, the A shares now are approaching their maximum dividend of $4 and the outlook for the B shares may be more interesting than many realize."

* * *

OTHER MARKETS—Over-the-counter market in life insurance shares starting to stir again after several weeks of practically non-existent trade. U. S. investors reported moving back into favorite traders like **Manufacturers Life** which climbs $10 to $265 and **Great West Life** which adds $5 in a week at $245. However, prices still well below peak levels of last summer when Manufacturers sold as high as $365 and Great West as high as $410 . . . Dealers report eyes being cast on other companies for possible deals after the fashion of the Commercial Life take-over by a Holland firm (FP, May 26).

U.S. Packer's Offer To Cdn. Canners

Canadian Canners stockholders next week will receive full details of the offer of California Packing Corp. to buy their shares (FP, May 26, June 2).

And decision on the offer of the U. S. firm rests with the widely scattered shareholders since no one group has control of Canadian Canners.

If shareholders decide to accept the offer they will deposit their shares after receiving the formal documents.

If enough shares are deposited to make the offer a firm deal, director will enact necessary by-laws splitting the common stock into one class A and two B shares.

Then a special meeting will be called to approve the capital changes and thus effect the deal.

At the regular annual meeting of Canadian Canners last week, the California Packing plan was discussed generally, H. G. Stapells, director and legal counsel of the Canadian company, reports.

Vote of Confidence

The meeting indicated no adverse reaction and shareholders volunteered a vote of confidence in the directors, he said.

Under the proposed offer, Canadian Canners holders will get two B shares and one A share for each existing common. The B shares will be purchased by California Packing for $15 each and the A shares will be entitled to annual dividends of 75c and will participate in earnings. Both classes will be voting shares.

Canadian Canners stock edged ahead to $41½ at mid-week from about $40 a week ago. Earlier, the stock had come up from a low of $32½.

Morrison Brass Moves Into U.S.

A Canadian company which has been in the business of making valves is diversifying its interests by moving into the U. S. to buy three companies for $3 millions.

Morrison Brass, a holding company which controls James Morrison Brass Manufacturing Co. (dating back to 1864 in the valve business) has acquired — L. B. Lockwood Textile Co., Cleveland, Cambridge Glass Co., Cambridge, Ohio, and Lake City Malleable Iron Foundries, Cleveland.

Branching out of Morrison Brass follows recent change in control and sale of 1,250,000 shares for $5 millions to Acme Subdivisions Ltd., Toronto (FP, May 12).

At that time, J. C. Cragg, a Toronto businessman who owns an automobile dealership and is active in real estate development, became chairman of the board of Morrison Brass. Mr. Cragg is also president of Acme Subdivisions.

The three U. S. companies purchased by Morrison are believed to have been controlled by Sydney L. Albert who controls Bellanca Aircraft, a U. S. holding company with wide interests.

These companies are expected to continue operating as separate units of Morrison Brass with the Canadian company's board of directors serving all firms.

Change in control of Morrison Brass with the accompanying plans to expand helped push the price of the shares to a recent $9 level from a low of $5.75 in March on the Toronto Stock Exchange. The price slipped to $8.75 on news of the entry into the U. S.

ABITIBI POWER & PAPER CO. had 543,194 preferred shares outstanding at May 28.

ARCAN CORP. had an additional 46,000 no par shares added to trading lists on May 24.

Canadian Bank Shares

Our June Review and Securities List discusses Canadian Bank shares as an investment, including an interesting article on The Toronto-Dominion Bank and its current capital stock financing.

The June Review also contains current information regarding treasury bills and short term notes, as well as a list of other Government and Corporation Securities available for investment.

A copy of the "Review and Securities List" for June will be forwarded upon request. For convenience fill in and mail the coupon.

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Commonwealth Mutual Fund Offers New Purchase Plan

MONTREAL (Staff) — Commonwealth International Corp. is offering a plan whereby shares of the fund may be purchased on a combination "layaway" and installment-plan basis.

Called the "family security plan," the scheme offers the opportunity of acquiring shares in the fund through monthly deposits ranging from $10 to $1,000 for a period of 10 years.

As an option, a life insurance feature providing for the payment of the outstanding balance owing under the plan in the event of death of the plan holder is available at net cost.

This is the first time that shares of a mutual fund have been marketed in Canada in this particular way, company believes, although other funds have had plans for regular share purchases in operation for some years.

Under the plan, all deposits payments will be made with the Eastern Trust Co., the custodian of the plan, which will also accumulate all dividends. Unless otherwise requested by the policy holder, dividends received will be re-invested in shares of the fund.

In the case of the $10-per-month plan — the lowest denomination offered — the plan holder would make 120, $10 deposits. He would be charged a creation fee of $5 per deposit for the first 13 deposits and 40c per deposit for the balance. The custodian would receive a fee of 30c per deposit.

Insurance, if requested by the purchaser, will be supplied at net cost — currently estimated at $42.13 for the $10 plan.

The custodian is also entitled to deduct a fee, not exceeding $1.75 per year, out of dividends for services and expenses of keeping records of deposits, number of shares owned, mailing receipts, notices to plan holders, etc.

Excluding the fee, total deduction on a $10 per month or $1,200 total deposit plan would be $143.80 without insurance and $185.93 with it.

In the case of a $100 per month 10-year plan, total deductions from the $12,000 deposited would be $1,139.50 without insurance and $1,560.76 with insurance.

The maximum of insurance protection for any one plan holder is $27,000.

Plan holders have the option to accelerate deposits under the plan, terminate it completely (and receive the number of shares purchased to date or have them redeemed) or partially withdraw provided such redemption shall not involve less than $25 and not more than 90% of fund shares purchased.

Quality Control Holds First Canada Meeting

MONTREAL (Staff) — Over 2,000 delegates from Canada and the United States were in Montreal this week to attend the 10th annual convention of the American Society for Quality Control, where 92 technical papers dealing with various aspects of quality control were given.

It is the first time that the convention has been held in Canada. The three days of technical sessions were held at Montreal's Palais du Commerce where over 40 displays showing latest development and devices in gauging and inspection techniques were on exhibition.

Elected president of the society for 1956-57 was Dale L. Lobsinger of the Performance and Control Staff, United Air Lines, Denver, Col. He succeeds Arthur Bender, Jr., General Motors Corp., Anderson, Ind.

Dominion Textile Earns 86c per Common Share

MONTREAL (Staff) — Dominion Textile Co., and Canadian subsidiaries net earnings for the year ended March 31, 1956, were $2,343,996, or 86c per common share.

Exact comparison with 1954-55 earnings cannot be made because of consolidation in current annual report of all Dominion Textile's Canadian subsidiaries. Company's raw cotton buying subsidiary, Howard Cotton Co., which operates in the U. S. and Mexico is not included. Reported net profit for the companies consolidated in the annual report a year ago was $496,718, or 14c per common share.

Consolidated sales, after eliminating intercompany transactions, were $112,790,945, the best showing since 1950-51, President G. B. Gordon reports.

He said higher sales volumes were largely due to aggressive advertising and merchandising and constant efforts to maintain leadership in styling and quality.

Income from operations at $3,344,420 (before taxes) was 2.96% of consolidated sales. "Such a low figure is certainly not adequate for a business where a large investment in buildings, machinery and stock in trade is essential. A small increase in costs can easily wipe out such a narrow profit margin . . . or even bring about a loss," Mr. Gordon notes.

Current assets as at March 31, 1956, were $50,726,163; current liabilities $13,766,114; working capital $36,960,049. Inventories were $25,844,398. Capital expenditures were $5,031,724 and company anticipates even larger expenditures will be made during the current year. Bond and debenture debt at the year end was $13,656,500.

$500,000 Air Repair Show

MONTREAL (Staff) — Bristol Aero Engines (Western) Ltd. will build a $500,000 addition to its engine repair and overhaul plant at Vancouver International Airport.

The expansion was necessitated by the recent purchase of five Bristol "Britannia" long-range airliners by Canadian Pacific Air Lines Ltd. The Britannia's turbo-prop engines will be overhauled and repaired by Bristol's facilities at Vancouver Airport.

One feature of the new addition will be construction of a test house for Britannia's engines. It will be the largest test cell of its kind in Canada for handling of turbo-prop engines.

The project will be completed by the spring of 1957.

Calgary's New $1 Million Airport Open

From Our Own Correspondent

CALGARY — The city's new ultramodern airport terminal, one of the finest in Canada, was officially opened last week by federal Transport Minister George C. Marler.

The $1-million terminal is built in three sections, to accommodate the public, passengers and staff. It includes sleeping rooms, a coffee shop, dining room and ample room for technical and office operations.

The airport's 1,400-acre layout has four major runways, two of which are among Canada's finest. The 8,600-ft. long runway, with high intensity lighting, is an all-weather strip. The 6,400-ft. long runway is built to handle the largest aircraft and jets.

The runways are equipped with the latest hydrant system of refueling aircraft, the only one of its kind west of Gander, Nfld. Eighteeen hydrant outlets are situated in strategic positions along the runways, thus offering a choice of refueling, and make it possible to service a number of aircraft at the same time.

A polarized radar beam is to be installed, which will make landing and take-off faster and easier.

Calgary's airport is one of the few in Canada that will pay for itself, mainly through profits on rentals. In 1955 the airport made $56,411 ($53,150 in 1954).

At the opening, Grant McConachie, Vancouver, president of CPA, announced flights from Calgary to Honolulu will start on Sept. 15. Application is to be made to the Transport Commissioners to have the existing flight from the Orient to Mexico City via Vancouver, stop in Calgary.

Architects and interior designers for the airport are Clayton, Boyd and Mogridge of Calgary.

G. E. G. Craig, Calgary, is manager of the airport.

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INTEREST RATES

By PAUL S. DEACON

More Stable Bond Prices?

Flow Of U.S. Capital Into Canada Helps Maintain Level

The bond market has had a slightly better tone lately, after the fairly sharp drop which occurred in March and April.

Based on current sentiment in the investment community, and on some of the major factors affecting bond prices, it could be that the bond market will remain fairly close to current levels for a while.

The need to keep credit at a level which would take into account the physical limits of our manpower and material resources was spelled out in some detail earlier this year by Governor James Coyne of the Bank of Canada. He made it plain that the natural consequence of the terrific demand for money in relation to even the steadily increasing volume of money and credit would be rising interest rates. This, in turn, indicated lower bond prices (FP, March 10). March 10).

The increases in interest rates came not long after, affecting not only the bond market but rates on bank and other types of loans.

Business is still very strong, and latest figures continue to show a rise in bank loans. Even with some soft spots here and there, and the attempts to keep borrowing within bounds, therefore, there seem to be no signs that monetary restraints can be ditched.

This would suggest that interest rates will at least stay where they are, and might even go higher.

However, there are some other factors which could offset this tendency toward higher rates.

Probably most important is the interest rate situation in the U. S. As it is, yields here are attractive enough that U. S. money has been flowing in in some quantity, and thus bolstering our bond markets.

British Columbia has just arranged a $40-million borrowing operation south of the border — $20 million for the provincial power commission, $10 million for its toll roads authority, and $10 million for its Pacific Great Eastern railway. Montreal Transportation Commission, which turned down a local syndicate's bid here last week, is said eyeing the U. S. Several municipalities, including Saskatchewan, Waterloo, Peterborough and Guelph, have placed issues there.

This flow of capital into Canada helps Canadian bond prices maintain normal relationships with U. S. prices. So long as U. S. levels stay where they are, Canadian prices would tend to hold up too.

In addition, there is some thinking that U. S. bond prices have about bottomed out, and could rise from here. The elections are only five months off, and there will be some pressure to make sure that credit isn't too tight on this account. There have also been a few more soft spots in business in the U. S. than there are here, and it would be more logical to ease restraints there than here.

All this would tend to keep up bond prices here.

Soft spots

While the Canadian economy in general needs anything but props to keep it going at the moment, there are some soft spots. It seems fairly certain that housing starts, for instance, will be down this year from record 1955.

Although the number of housing completions is likely to be maintained at a good level, because of the large carryover from 1955, it may be that special action will have to be taken to assure a good number of starts this fall. Supply of NHA mortgage funds has been down, and conventional mortgages are being arranged in some volume now at rates as high as 6½%.

The Bank of Canada has indicated it would like to see a bigger secondary market in NHA mortgages. In this way, present holders could sell mortgages now held and reinvest the proceeds in the new mortgages. So far, however, this hasn't developed to the extent hoped, due to reluctance of the institutions to accept the capital loss which would be involved.

The Government is understood not too worried by the drop in starts at this time, but it would undoubtedly like to see a good carryover into 1957. This would suggest a greater effort later this year to make sure sufficient mortgage funds are available at interest rate levels which will be attractive enough to encourage building.

For investors in bonds, the important thing to watch here will be the form such action takes. It would seem unlikely that the whole credit restraint program would be ditched to take care of the housing problem, but it might mean encouragement of stable interest rates at least, and possibly some easing.

New Chatco Financing Ups Shares

Chatco Steel Products Ltd. this week raised $450,000 to help expand its drive to switch from contract manufacturing to growth and development of its own name products.

For the past few years the company has been concentrating production in a single plant at Tilbury, Ont. It has broadened sales for its trade-marked products in the domestic and commercial heating and air-conditioning fields, truck bodies and in steel office equipment.

Shareholders unanimously approved creation of an additional 540,000 shares, increasing authorized capital to 600,000 shares. New York, Montreal and Toronto interests took up 100,000 of the additional shares at $4.50 a share. This will make issued capital, 160,000 shares.

Representing this investment group is Robert C. Leonhardt, New York, president of McGrath Securities Corp., New York, who has been elected chairman of the board of Chatco. Harold S. Shannon remains as president.

Mr. Shannon told The Financial Post that efforts to build Chatco trade-mark products have resulted in doubling business in the heating division and in truck bodies. Activities in the office equipment division will be stepped up with plans including branching out into manufacture of steel desks. For some time the company has been making steel office cabinets.

News of the new financing sparked brisk activity in Chatco Steel shares on the Toronto Stock Exchange. At mid-week the price had jumped to $7, gain of more than $2 in two days. About ten days ago the stock was selling at $4.75 and the low for this year was $3.30.

The Bell Telephone Company of Canada

Offer of Additional Shares

Shareholders of record June 7, 1956 will be offered the right to purchase one new share at the price of $37.00 per share for each eight shares held. These "Rights" will expire on July 27, 1956.

If you are a shareholder we recommend that you exercise your "Rights", but, if you are not, you may now become one by purchasing shares or "Rights".

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Additional information will be furnished without obligation.

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ANNOUNCEMENT

ETHYL CORPORATION OF CANADA LIMITED APPOINTMENT

Sarnia, June 5, 1956: The appointment of John Lockhart McCartney as Purchasing and Traffic Agent for Ethyl Corporation of Canada Limited was announced today by Alan C. Tully, President.

Mr. McCartney will make his headquarters at the Ethyl Corporation manufacturing plant which is now under construction near Sarnia. He was previously associated with the Sarnia Bridge Company Limited in the capacity of General Purchasing Agent. He holds the office of President of the Sarnia District Purchasing Agents Association and is a Director of Canadian Association of Purchasing Agents.

Commercial Life Control Goes To Holland Firm

Since early last month, stockholders of the Commercial Life Insurance Co. have been urged to sell their shares to unnamed buyers. So enticing was the eventual price that most did.

As a result, control now resides with one of the largest insurance institutions operating throughout the world, N. V. Netherlands Life Insurance Co., Est. 1845, with headquarters in The Hague, Holland.

For shareholders, the month before control finally passed into the hands of the Dutch company was a happy time. Overnight their shares, which had a market value of about $22 each, were suddenly worth $44. That was when the Dutch company made its first anonymous offer through Triarch Corp., backed by the Commercial Life directors (FP, May 12).

Then a dark horse entered the race and attempted to find shareholders who would take $50 per share. Within a few days Triarch upped its original offer to $52 per share. It won.

For the buyer, N. V. Netherlands Insurance 1845, acquisition of Commercial Life means an important expansion of its current stake in this country's insurance business. N. V. Netherlands already had a subsidiary operating here called Life Company of the Netherlands established in the fall of 1955. In business for only a few months, the Canadian subsidiary had only $404,518 insurance in force at year end 1955.

In assuming control of Commercial Life for an estimated $525,000, the parent Dutch company has acquired a flourishing organization with over $45 million in force at the end of 1955, yearly premium income over $1 million and assets valued in excess of $7.7 million.

There are no plans at present anyway to merge N. V. Netherlands' two Canadian subsidiaries. J. van der Velden, head office manager of the parent company, said, "the acquisition will undoubtedly bring about a rapid expansion of both companies in Canada."

Commercial Life is expected to continue to operate under its own name and E. B. H. Shaver, vice-president and managing director, continues in his post.

It is also expected N. V. The Netherlands 1845 will seek to expand the scope of Commercial Life's current operations. One of the reasons that the Commercial Life directors backed the Dutch organization's offer was that they believed the company had reached a stage of development where, if the rate of expansion were to be increased, emphasis would have to be laid on the development of the company's facilities for doing business — not on immediate profits to shareholders.

E. B. H. Shaver said directors are satisfied that the new association will be in the best long-term interests of policyholders.

How Bond Prices, Yields Have Moved

GOVT. OF CANADA BONDS

	3% /66 Bid Price	3% /66 Yield %	3¾% /78 Bid Price	3¾% /78 Yield %
June 1/55	101⅜	2.67	107⅜	3.19
Dec. 30/55	96⅞	3.29	103½	3.43
March 1/56	97¼	3.20	105	3.32
March 8/56	97⅛	3.21	104¾	3.34
March 29/56	97	3.29	103½	3.43
April 4/56	96¾	3.31	103¼	3.44
April 17/56	95⅝	3.48	102	3.55
April 23/56	94¾	3.59	100	3.68
May 1/56	94½	3.57	100½	3.64
May 3/56	94⅜	3.58	101	3.62
May 25/56	95⅜	3.49	101¼	3.60
May 29/56	95½	3.47	101½	3.58
June 4/56	95⅜	3.49	101½	3.58

Canadians Get 48% Of U. S. Co's Shares

Shareholders of Western Auto Supply Co. will meet June 14 to pave the way for board of directors representation for Canadian interests who have acquired almost 48% of the company's outstanding stock. It is proposed that the board be increased to nine from five members with two Canadian groups expected to name five.

R. O. Denman, Hamilton, Ont., and associates hold 305,023 shares and John C. Udd of Montreal holds some 416,000 shares of the 1,502,736 shares outstanding in the U. S. firm.

Approximate Quotes
SUPERVISED FUNDS

		Bid	Asked
Supervised	Income Fund	$4.38	$4.42
"	Growth Fund	2.33	2.35
"	American Fund	5.93	5.99
(1955)	Executive Fund	35.58	
(1956)	Executive Fund	29.17	30.46

Further information from:
SUPERVISED INVESTMENTS LIMITED
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PRODUCTS LTD.—Scott Paper Co. has purchased an additional 7,000 shares at $15 each. This allotment brings total issued Scott to 75,000 shares with a 925,000 share balance to be taken up before Dec. 31, 1957. Now 2,517,750 common shares outstanding.

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Dividend Changes

PIONEER GOLD MINES—common, 12½c payable Aug. 1, to holders of record July 15, ex-dividend July 11. Previously paid 10c Sept. 1, 1955. Total paid in 1955, 10c. Recent price: $1.90.

PROVINCIAL TRANSPORT—5% pref. $50 par, 64c payable July 1 to holders of record June 15. Initial payment. Recent price: $46⅞ asked.

CONSOLIDATED PAPER CORP.—common, 40c plus 15c payable July 16, to holders of record June 8, ex-dividend June 6. Previously paid 25c plus 25c Jan. 16 and 25c April 16. Total paid 1955 on new common following two-for-one split in April, 75c plus 50c. Recent price: $40¼.

STANDARD PAVING & MATERIALS—common, 37½c plus 50c payable July 2, to holders of record June 14, ex-dividend June 12. Previously paid 37½c quarterly. Total paid in 1955, $1.50. 50c extra paid Jan. 1954. Recent price: $42¼.

B.C. POWER CORP.—common, 35c payable July 16, to holders of record June 21, ex-dividend June 19. Previously paid $1.20 annually (30c quarterly). Recent price: $39½.

J. C. WILSON LTD.—common, 25c payable June 30, to holders of record June 15. Previously paid 12c on Dec. 30, 1955. Total paid in 1955, 12c. Recent price: $7½.

Bank Of Nova Scotia Offers Additional Shares At $38

Third bank within three months to offer shareholders rights to subscribe for additional shares of bank capital stock is the Bank of Nova Scotia. It announced this week that its shareholders would be issued with rights to purchase one additional share for each five held May 31. Offering involves 300,000 additional shares.

Purchase price under the offer will be $38 per share. (At mid-week Bank of Nova Scotia stock was quoted around $56½. Share price of new bank issues must not, by law, exceed per share value of paid-up capital plus reserve fund.)

States President H. L. Enman: "Purpose of the present issue is to bring shareholders' equity into a closer relationship to the volume of business and the total assets of the bank . . . Since the last offer in 1951, the assets of the bank have grown from $840 million to $1,253 million . . . At the same time shareholders' equity has increased only $5 million from $40 million to $45 million."

Concurrent with the new offering, Mr. Enman announced that the bank directors had increased rest account by $7 million through the transfer of $6 million from tax paid reserves and $1 million from undivided profits.

Sale of the 300,000 shares to be issued will add $3 million to capital account, bringing it to $18 million, and $8.4 million to rest account bringing it to $50.4 million.

This is the third bank to offer additional shares to its shareholders in recent months. Royal Bank of Canada announced an issue of 840,000 shares in mid-March (Post, Mar. 24, 1956) and Toronto-Dominion offered 500,000 additional shares in mid-May (Post, May 19, 1956).

Warrants showing right to subscribe will go to shareholders of record May 31, 1956 by the end of this week or the beginning of next. They will expire Sept. 5, 1956.

Since the new issue is not registered under the U. S. Securities Act, shares are not being offered to shareholders whose recorded address is in the U. S. However, they will be issued with rights which they will be free to sell or transfer. Rights will be listed on stock exchanges where the bank's shares are listed. New shares may be purchased outright or paid for in 10 monthly instalments of $3.80 per share.

Penmans Claim 60% Proxies

Surface calm has settled over the fight for control of Penmans Ltd. (FP, June 2).

At mid-week, a spokesman for Penmans management said proxies have been obtained covering more than 60% of the outstanding shares. This was up from last week, at which time Penmans officials reported that "more than 50%" had been obtained.

Meanwhile, the unknown buyer who has offered $26 for the common shares and $125 for the preferred, is reported undecided on his next move.

The offer was conditional on acceptance by 90% of the shares by June 1. However (like offers to purchase in the case of other companies, it extends for another three months to September 7.

But now it is at the discretion of the buyer to decide whether he will take up shares which are offered at his price. He was not committed to accept unless the 90% were in the hands of his agents (Gairdner & Co.) by June 1.

So far the proportion of Penmans outstanding shares deposited has not been disclosed.

At mid-week, Penmans common shares were trading at $24½.

Bathurst Power Profit Up 4%

MONTREAL (Staff)—Bathurst Power and Paper Co. net profit for the first quarter of 1956 at $569,581 was up about 4% over $544,987, the net profit for the first quarter of 1955.

Estimated net earnings before depreciation, depletion and income taxes were $1,441,821, compared with $1,355,750 a year earlier.

As of March 31, 1956, current assets were $18,214,080 (18,661,634) while current liabilities were $5,645,089 ($6,470,260). Working capital of $12,568,991 compares with $12,191,374 a year earlier.

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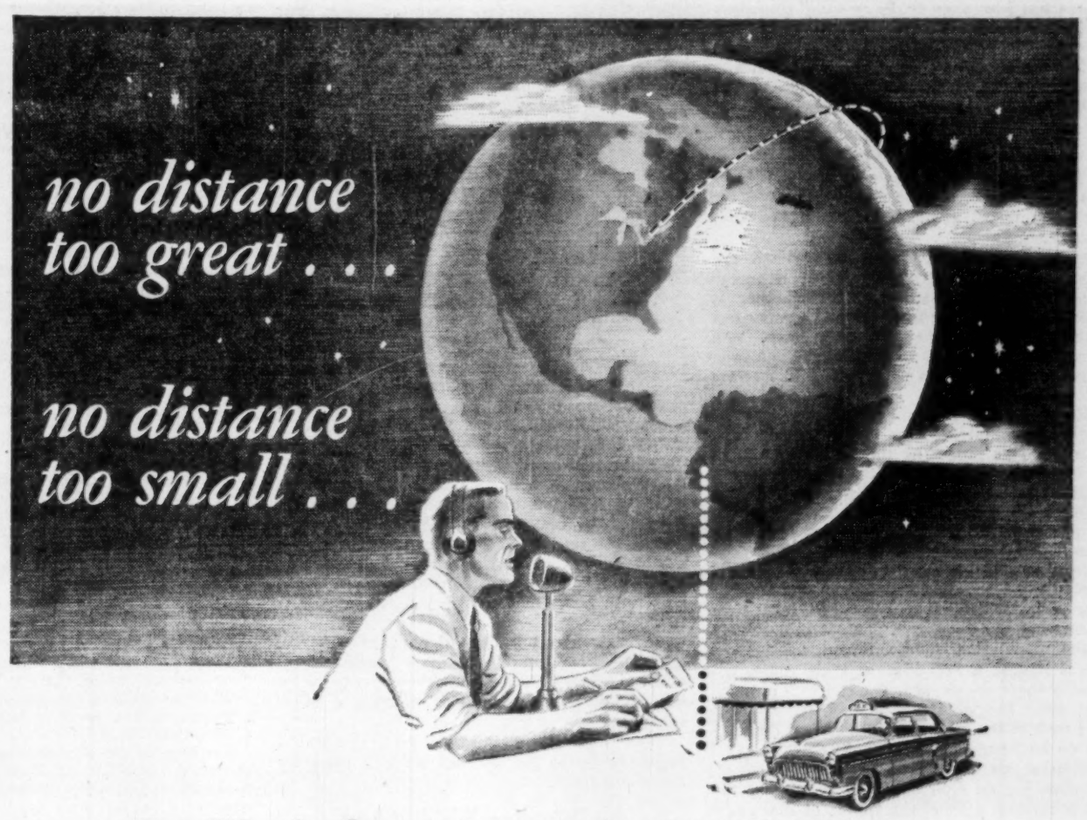

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Up Against a Giant

Between 1950 and 1955, the U. S. population increased by 16.8 million. That's an increase in numbers greater than the total population of Canada (now 15.9 million).

These figures illuminate a basic problem of Canadian business. In most industries, the way to low unit costs is a high volume of output. But a high volume of output is useless without a large mass market. Yet Canadian firms must compete, on a price basis, with American firms whose potential domestic market increases automatically every five years by an amount equal to the total potential home market for the Canadian firm.

Canadian companies who react to this situation by growing to the point where they serve a very large proportion of the home market are likely to be slapped down by the combines cops.

Firms which seek to expand sales to Western Europe find that those markets are not benefiting to the same degree by the automatic increases that come from rapid population growth. In other areas where population growth is great (Southeast Asia, for example) such difficulties as combat, currency control, and communism make trading chancy.

All this accounts for the strong pressure by Canadians and others for access to the United States market. Not only is it now the biggest single market in the western world, but its rate of growth is rapid. By 1975, taking the least optimistic assumptions, the U. S. population will be 207 million. Canada's, based on the most optimistic assumptions, would be 25 million.

A change in American trade policy could make U. S. population forecasts welcome news for the whole world. Without that change (and with automation making the size of the industrial operation increasingly important) Canadians and others are bound to have a hard time handling economic relations with the United States. We face, among other things, increased competitive pressure from American firms and increased concentration of Canadian industry. Both of these developments create political problems within Canada and diplomatic problems abroad.

Can we really hope for a change in American attitudes to foreign trade? We will be wise to be developing our own answers to problems of economic survival.

The Important Things First

Visitors to Western Europe since the war have all noticed, often with surprise and usually with admiration, that the first things rebuilt in bomb-blasted cities were opera houses, concert halls and theatres. Music and drama are generally agreed upon necessities of life in that part of the world.

A report just published by the West German Government on cultural activity in the 1954-55 season gives some remarkable figures. Almost 20 million people went to operas, operettas, plays, ballet and concerts, preferring them in that order. Individual buyers of tickets for one performance were in a minority. Subscribers and organizations took 56% of the seats.

Customers were offered a great variety of entertainment in an astonishing number of places. There were 114 repertory companies producing opera and drama. They appeared in 71 cities. There were 41 active symphony orchestras with 2,211 musicians.

With about three times Canada's population, West Germany enjoys far more than three times Canada's quota of good music and theatre. True, the two countries are not comparable in age or geography or tradition. Germany has many large towns, within a small area, that have cultivated the arts for centuries. But these towns were rubble and ashes only ten years ago. Their inhabitants insisted on having Beethoven, Wagner and Shakespeare (they are intense devotees of Shakespeare) while they still lacked decent housing.

Popular demand, proved at the box-office, explains how West Germany's vigorous musical and theatrical life is financed. Cost of all the 1954-55 productions mentioned was $38 million. As subsidies totaled $29 million, seats were cheap.

It is a point of interest for Canada, where government patronage of the arts and education is frowned upon by some, that municipalities furnished two thirds of the subsidy payments and state governments the other one third. The German Federal Government pays nothing and so, obviously, local taste prevails.

Stay Put or Evacuate?

Civil defense planners who still advocate mass evacuation of the big centres in case of air attack get scant encouragement from Field Marshal Montgomery.

Speaking in Ottawa a few days ago the deputy commander of NATO's military forces said: "I, personally, am doubtful whether it would be a good thing to try to move enormous numbers of people out of the major cities. The safest thing for them is to stay put. Then they are much less likely to be involved in nuclear fall-out."

Montgomery probably had two practical experiences in mind when he voiced that opinion.

In the days preceding the fall of France in the last war he saw what happened when a civilian population attempted to run from the bombers. They jammed the roads, ran out of gas, paralyzed all traffic and created fatal confusion. And like almost anyone else in the western world the blunt-talking British field marshal must have got caught at some time or other in traffic around any fair-sized city on a summer holiday week-end. Then, with only part of the population involved and with most drivers having a fair idea of their route, invariably there are tie-ups. One can well imagine what could happen if every man, woman and child took to the roads to an unknown destination on an hour's notice.

Perhaps we need to do some new thinking and planning on civil defense. What was the best protection against the threat of five years ago may not be the best today.

There's Economy in Volume

"I don't know what load factor is," Mr. Coldwell told the House of Commons (Hansard, page 4427) in the gasline debate.

That admission and other things they have said makes it clear that some CCF speakers don't know what they're talking about when they compare Trans-Canada's charges and allege that Americans will get gas cheaper than Canadians.

The load factor, Mr. Coldwell, is just your old friend, the quantity discount — the giant economy size. If you can use more gas, you get it for less. Housewives have no difficulty understanding this when they buy five pounds of macaroni in bulk instead of picking up the small colored packages. Co-ops have no trouble understanding it when they urge members to combine and get the advantage of large-scale purchasing. There are obvious advantages to bulk buying — from the point of view of the producer and the consumer.

The sliding scale of prices depending on "load factor" is designed to encourage gas companies to go after more business and raise the volume of operation. A company operating at a high load factor (lots of gas) gets a better price — which it can use to lower prices to the consumer. A company operating at a low load factor incurs a penalty — until its salesmen build up its market.

High load factors reduce costs because the costs of operating, financing and maintaining the pipeline itself are spread over a larger volume of sales.

There's no point in comparing prices of gas without considering the load factor. A high load factor price and a low load factor price are like an elephant and a giraffe. They're both animals, but they aren't the same kind, and they can't be judged on the same basis.

Wherever the Canadian load factor and the American load factor are the same, the price in Canada will be cheaper, as the figures tabled in the House last week by Mr. Howe clearly showed. The price differentials quoted by the opposition reflect only the fact that the Canadian market — so far — can't at first absorb huge quantities of gas.

Hope for European Union

"European union, one of the greatest dreams of western man, is nearer today than in centuries," said President Eisenhower recently. On what evidence he based this hopeful remark is not clear but presidents have information that other men have not.

Real stumbling-block to union is the inefficiency of the French economy. Pierre Mendes-France, perhaps the shrewdest of French politicians, knows this. He recognizes that French industry, comfortably slack and old-fashioned after generations of excessive protection and high subsidies, could not stand the competition of German industry in a free, Europe-wide market.

This was why, as prime minister, he showed no enthusiasm for federation with the Germans and accepted, without protests, the defeat of the project by the National Assembly. He favors European union in principle but, in his view, a great improvement in French productive standards is a necessary prerequisite.

It is therefore interesting news that M. Gabriel Ardant, commissioner of productivity in the French Ministry of Economics, says that France could double its output of goods and services in ten years. No visionary but an economist of repute in his own country, M. Ardant has astonished his confreres but this, it seems, is just what he intended; and he says he is sure of his ground.

As in the case of Mr. Eisenhower, the evidence for M. Ardant's optimism is obscure; but let us hope that events prove them both right. A European union, the President accurately says, would be "a pillar of strength in the modern world." The fact that the Russians don't like the idea is irrelevant, incompetent and immaterial.

Weather Hazards Reduced

Modern farm machinery certainly demonstrated its worth on the Prairies this spring. In a little more than two weeks, grain seeding was practically completed and, in the words of one observer, the "outlook switched from pessimism to optimism."

Back in the old horse days, in a late wet year like this, probably only half a crop could have been sown with any hope of success. By then the season would have been too advanced for wheat to mature or the soil too dry to germinate the seed and get it growing. Now with machinery which can be operated 24 hours a day if necessary an enormous area can be seeded within hours of the time the soil is first fit to work.

So long as crops depend on rain and sun, grain growing must remain a weather-hazardous business. But new equipment, new methods, and new varieties have removed a lot of the risk.

The total crop failures we experienced regularly up to the 'thirties we will probably never see again.

No Wonder We're Short

From a reader of The Financial Post comes this revealing report:

His teen-age son in his early years at high school has decided that he's not going to be an engineer after all. Instead he will probably take a general course at university or specialize in some of the less practical and more cultural subjects.

This student has found chemistry and some of the higher mathematics a little tougher than expected and although his first marks have been reasonably good his teachers have persuaded him that it would be much easier and surer if he switched to some other optional subjects like botany or zoology. Now he will have more time for sports, parties and TV and he will still be able to get a university education.

This case is probably more typical than is generally supposed. In school work as in most other kinds of work, there is a growing tendency to take the easiest road. And there is also the very natural desire on the part of the average teacher to get the highest percentage of pupils successfully through his or her particular class. Why spend extra effort coaching and encouraging someone in a hard subject when there's clear sailing in an easier course?

That sort of attitude, however, is not going to give this country or the western world the vast number of engineers we must have to meet the new challenge of Russia or the challenge of our Canadian frontiers. The only way we can hope to get them is to make sure that every student with the slightest inclination is encouraged to dig in and apply himself.

Napier Moore's

Scratch Pad

FELLOW GUEST at a luncheon in New York last week was Sir Francis Evans, British Ambassador to Argentina, who was en route on leave.

I first met Sir Francis, a man of great charm, in 1929, in Hollywood. He was then British Consul in Los Angeles, and we were introduced by a mutual friend, Norman Reilly Raine, the Canadian writer who created "Tugboat Annie" and became one of the film colony's top script writers. Some years later I had the pleasure of entertaining him in Toronto. But it was mainly of Hollywood that we talked.

In those days, part of the consul's job was to be on the look-out for any studio producing a picture about things British and offer suggestions that might be helpful in the matter of accuracy.

Sir Francis recalled that one studio had finished making "The Lives of a Bengal Lancer." Having on hand a lot of uniforms and equipment, and some unused footage of scenes shot in India, the company decided it would be frugal to make another British Army picture. It hit upon The Charge of the Light Brigade.

Sir Francis went to see the producer. In his best diplomatic manner he pointed out that lancer uniforms and Indian backgrounds weren't quite in keeping with the period of the famous charge. The producer was a bit sad about the economics of the matter, but when the picture was made it was reasonably accurate in detail. With one exception. The actor who played Lord Cardigan was given a uniform more resplendent than the wildest comic opera costume. And nothing could budge the producer. He explained that "they've gotta know this guy's somebody BIG."

* * *

SIR FRANCIS also recalled that when Ronald Coleman first went to Hollywood, in practically every film in which he appeared he was made to wear a raincoat and carry an umbrella. Finally, Coleman complained to the producer. He said, "Look here, it isn't **always** raining in England. There are days when the sun shines."

Said the producer, "You know that, and I know that because you've just told me. But the folks in Little Rock, Arkansas, don't know that."

* * *

WHICH REMINDS ME of the story scenario-writer Frank Butler once told me about his entry into the movies.

After World War I, Frank, an Englishman, went out to British Columbia. He didn't have much money, but he did have several well-tailored English suits. After a while in Victoria, he decided to go down to Hollywood and take a look at the place.

A day or two after his arrival he was standing on the street when a nearby door opened and a man popped out. He said to Frank, "Say, how'd you like to be in the movies? That's a swell-looking suit you're wearing. We could do with a suit like that in a picture we're making."

So Frank, who had never dreamed of being a movie actor, became one. The picture finished, the producer asked him if by any chance he had a full evening dress suit. Frank did have a full evening dress suit. Forthwith he was cast as an English nobleman in another picture. Came a sudden change of plans. The company decided to make a western cowboy picture instead. Frank was offered a small part as a cowboy. After a successful day before the camera, he approached the producer and said, "I've thought of a way of getting my full dress suit into this picture. You see, while I'm just a cowboy, I'm really the heir to an English title. My father dies. I become a lord. And so I put on a party for all my friends on the ranch. Because it's such a special occasion, I put on my full dress suit."

The producer was lost in admiration. "Say," he said, "you ought to be writing scenarios."

And that's how Frank became a scenario writer and, later, one of Hollywood's major successes.

* * *

BETWEEN THE PREVIOUS PARAGRAPH and this one I wafted from New York to London, there to be confronted by glaring newspaper headlines announcing what in England is a Sensation with a Capital S.

Sir Bernard Docker, chairman and managing director of Birmingham Small Arms Co., and millionaire husband of a woman who has a bigger publicity sense than all the Hollywood movie stars put together, has been sacked.

Lady Docker's $15,000 mink ensemble, $250,000 fleet of gold-plated, leopard-skin upholstered and silver-starred limousines, her luxurious yachting cruises, dripping jewelry—all used to boost Daimler cars, a product of B.S.A., have collared acres of newspaper space for years.

A champagne party for 25,000 people to celebrate her 50th birthday has been cancelled.

"It's tragic," said Lady Docker, sipping a dry martini.

* * *

OTHERWISE, London appears to be normal. In the Times personal column an Oxford undergraduate, "not without sense of humor" is advertising for the use of a Rolls-Royce for one week.

It Might as Well Be Summer

Yesterday: Perspiration.
For today: Precipitation.
For tonight: Cool and nice.
Tomorrow jackets should suffice.
Winter's gone; of summer sing—
But what the hell became of spring?

S. OPOTOWSKY
New York Post

Post Scripts

Edward John Friesen

When Edward John Friesen graduated from high school one June in the small North Saskatchewan town of Rosthern, the branch managers of Rosthern's two banks sized him up as a likely lad for the banking business.

MR. FRIESEN

Both went after him with offers to come to work as a junior. The local Imperial Bank man got him. That was July, 1920. Today he's the Imperial Bank's new general manager.

In climbing from the bank's lowest rung as a junior to the top executive levels, Friesen follows the tradition established by other senior officers in Imperial today. John Stewart Proctor, newly elected president joined the bank as a junior in 1922 while Lindsay Stuart Mackersy, recently elected chairman of the board, began at the same level in 1911.

"Starting as a junior is a good way to get to know banking," soft-spoken Mr. Friesen told The Post. "You get wide experience in all aspects of branch banking and an appreciation of both the problems and business possibilities at the level where the bank meets the customer."

During the first six years of his 35-year service, Friesen was moved about from country community to country community in the West as well as spending time working in two larger centres, Regina and Prince Albert.

In 1926 he was appointed teller in Winnipeg. From then until 1937 there were a series of promotions in that office. He became an accountant in countant in 1933 and culminated his career in Western Canada with an appointment as assistant manager of the main Winnipeg branch in November, 1937.

As well as winning promotions in the west, Friesen also won a wife. In 1933 he married Beatrice McIntyre of Winnipeg.

When Friesen left Winnipeg to become assistant manager at the main Montreal branch, he started the first of a series of jobs that would keep him shuttling between Toronto and Montreal for the next 12 years.

From his assistant manager's post in Montreal he was moved to Toronto in 1945 as superintendent of head office. Two years later he returned to Montreal as manager of the main branch. Three years after that shift, 1950, he was brought to Toronto again to take over new duties as assistant general manager.

With his recent appointment as general manager, 51-year-old Friesen becomes the chief liaison man between the bank's customers and its 3,500 employees in more than 270 branches from coast to coast. Friendly and easy, he's obviously going to enjoy this part of his job: "I'm looking forward to visiting more branches than I've been able to in the past few years. I have always liked and never passed up opportunities to get to know branch managers and their staff in all the various kinds of communities where Imperial does business."

Mr. Friesen's after-hours activities centre around his home and the community. Living in North Toronto, he is a member of the Board of Stewards of St. George's United Church. And he's a member of the Toronto Board of Trade. Curling and lawn bowling are high on his list of recreations, while every now and again he "plays at golf."

"It's been a big week for the Friesens," he says. "My new duties at Imperial began, my 20-year-old daughter started her first job as an occupational therapist—and my 16-year-old son got a hole-in-one."

Allen T. Lambert

This week a young man in an old office impressively complete with traditional paneling and heavy fireplace, took over as general manager of Canada's fourth-largest bank, the Toronto - Dominion.

MR. LAMBERT

Allen T. Lambert at 44 is the youngest general manager of any Canadian bank, and at the same time sets a precedent in his own organization and its predecessor institutions, the Dominion Bank (established 1871) and the Bank of Toronto (1856).

An enthusiast about his work, Lambert is an example of the new banking. Its policies are designed to bring young men to positions of increasing scope as quickly as possible.

Banking today offers beginners better opportunities than ever before, says Lambert, and it's much easier for newcomers to move quickly to new responsibilities. For opportunities and satisfactions we can compete with just about any other business, he states.

Like most top men in the banking fraternity today, Lambert started at the bottom. In 1927, at the age of 15, he joined the Bank of Toronto in Victoria. Although born in Regina, he and his family moved to Victoria when he was several months old, and it was there that he received his schooling.

After working in both Victoria and Vancouver branches for several years, he moved east in 1940 to be the bank's accountant at Brockville, Ont. War service broke his career at this point and he joined the Royal Canadian Navy, serving as a lieutenant until 1945.

Returning to the bank, Lambert found his rise to positions of increasing responsibility picking up speed. After several months on the staff of the St. James and McGill Branch in Montreal he was appointed manager at Yellowknife in the Northwest Territories.

This tour of duty in the north Lambert recalls with enjoyment. Toronto - Dominion has always been vitally interested in the development of the north, he told The Post, and this posting provided a good opportunity to see at first hand what is going on and to get a taste of northern living. While there, he was active in community affairs and acted as president of the Yellowknife Chamber of Commerce.

Late in 1947 he left Yellowknife to become inspector of the Western Department, headquarters Winnipeg. In June, 1950, he returned to Montreal as manager of the Bank of Toronto's St. James and McGill Branch. After three years in this post, he came to Toronto for the first time to act as head office superintendent. Several months later he was appointed assistant general manager, remaining in that position until his promotion this week to general manager.

Since coming to Toronto, Lambert has become active in various business and charitable organizations. He is a member of the Toronto Board of Trade. He is also a director of the Toronto Mental Health Clinic. Last year he was vice-chairman of the special names committee during the Toronto Community Chest drive for funds.

Married to a Winnipegger, Marion Kotchapaw, he and his wife, with their 4½-year-old son and a 3-year-old daughter, live in Toronto's Lawrence Park area. There Lambert is a member of the Board of Stewards of the Lawrence Park Community Church. Spare time recreations include gardening, curling and golf.

What Others Are Saying

Editorial of the Week

This Vacuum Needs to be Filled

Calgary Herald

The whole northland situation has, in the past 10 years, been shaping up to an issue of major concern for Canadians, particularly in view of the long start which Russia has had in developing her own northland and the speed with which she has done so.

While difficulties and the hard life abound in the Canadian Arctic nevertheless its development is vital to the future of the Dominion. We are not satisfied that the Dominion Government has undertaken all that it should have in promoting the development of the North or that what steps have been taken have been handled in the best possible way.

Many people resident in that part of the country have been going so far as to urge something like provincial status for the northern territories, which they feel would speed up the development. We are not entirely sure that such a step would be the wisest just at the present time when the development of the Arctic is primarily in the interests of the whole nation. But surely a greater measure of local autonomy than the territories now possess, would be advantageous. If nothing else, the Arctic would be a fit subject for study by a royal commission.

Other People's Views

CANADA HAS GROWN the last five years, points out the **Woodstock, N.B., Sentinel-Press.** "So the 1956 Census will supply greatly needed up-to-date information on the extent of the changes in the distribution of the people."

WHY THE SHORT EXTENSION in the term of the Governor-General? The **Winnipeg Free Press** explains it this way: "That the extension of Mr. Massey's term of office is for one year only is no doubt due to the fact that Canada will have a general election within the next year or so and that the present government wishes to leave the next government free to make its own decisions about a governor-general."

HOW FAR CAN any member of Parliament divest himself of all personal interest in matters coming before Parliament, asks the **Ottawa Citizen.** "Every Western farmer sitting in the Commons is interested in the price of wheat, which is a perennial subject for debate. And examples like this could be multiplied. Is it to be a question of degree? Should a man with only a small financial stake be allowed to vote on a measure while his seatmate with a large one is barred? And if so, where is the line to be drawn?"

HIGHER FREIGHT RATES following railway wage increases spotlights the difference in interests of farmers and labor unions, points out the **Montreal Family Herald.** "In such situations it is the unions which get, and the farmers who give. So long as wage spirals rise in the railway business, rates will have to go up to pay the wages. One way or another a goodly chunk of the rate increase will come out of the farmer's jeans. This is the kind of measure which should be kept in mind when it is suggested that the farmer and the labor union man should share the same lunch pail. There is still going to be an argument about who is going to get the pie."

B. C. PREMIER BENNETT's plan to have the Provincial Government pay property owner's taxes on the first $1,000 of municipal assessment, doesn't get much praise from the **Vernon News.** "Previous aid to municipalities has been traditionally in the form of lump sum grants. The government seems to feel that its largesses have not been appreciated by the individual taxpayers as coming from provincial sources. In other words, the municipalities got the credit. Now the government wants every taxpayer to know where this latest proposed dividend originates. To achieve so transparent a political purpose, the government proposes to tax and then to reallocate part of the money."

The Financial Post

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Vincent Egan, 260 Metcalfe St. CEntral 2-0590.
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Contributing Editors: Bruce Hutchison, J. K. Edmonds.

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June 9, 1956

Bruce Hutchison writes about:

Three Miles Below

By BRUCE HUTCHISON

In Ottawa these days a casual visitor sees Canada as a blurred image, mirrored by Parliament and the great pipeline battle. From an airplane he sees Canada itself, the whole thing; laid out like a map. The airplane view is not only the clearer but the more accurate.

Recently I watched Parliament writhing in its narrow pipeline, the cabinet caught off balance by bad luck, the opposition ecstatic but confused, all the politicians wrangling in office, corridor and smoke-filled Chateau bedroom.

A foreigner might have thought from this scene of agony and anger that the nation was falling rapidly to pieces. I left Ottawa in a state of profound depression. But once a Viscount plane had lifted me smoothly into the air, three miles above men's quarrels, Canada looked remarkably unchanged, placid and whole.

Capital Towers Became Faint Exclamation Marks

The soaring towers of the capital became faint exclamation marks punctuating the debate within them, the sprawling body of Toronto was a tiny blur of discoloration beside Lake Ontario, the mighty grain elevators of the Lakehead looked half an inch high, Lake Superior was only a wash basin of ceramic blue, flecked with soap suds, the prairies a black-and-tan checker board and the Rockies a row of inferior wedding cakes, whitely frosted.

The pipeline battle was news that day, being noisy, feverish and inconclusive. Canada was not news. It was too quiet, hard-working and sane to make a headline. The roll of newsprint unfolding below me remained blank.

In the last year I have crossed the nation by train, car and airplane and each method seemed to have its own advantages. The train brings you close to the earth but seals you hermetically from it. The car takes you into the odd places on the side roads and brings you face to face with the people. Only the plane can teach you the immensity of our land, the sovereign Canadian fact, of which the facts of politics are only the shifting and pallid shadow.

Any schoolboy can cite the area of Canada. Everybody talks vaguely about its size. Every map confirms it. But no Canadian can really know it until he has looked down on it from high up and, within a few hours, seen all its huge substance sliding off toward three oceans.

That sight is at first appalling in its empty loneliness where all the works of man are no more than a scratch or a flicker of light here and there. On second thoughts, the traveler peering from a plane window finds a sudden comfort in this prodigious spectacle, especially if he has just escaped from the screaming little rabbit warrens of Ottawa.

The big land is still there. Nothing, not even the blunders of politicians, the fate of governments, the fever of the headlines or the quotations of the stock market can change it in essentials. No vote of parliamentary closure can touch it. All speeches, however shrill, are muted in transcontinental stillness.

All the Hysteria Of Parliament Barely Reaches Out

The land is there — unchangeable, calm, rich and unspeakable in its beauty. It is not falling to pieces or pausing for a moment in its labors. All the hysteria of the capital hardly reaches five miles beyond Parliament Hill. Beyond that area of fury the rest is silence.

In every city flashing by as a mere huddle of match boxes, in every town no larger than a man's hand, in every farm house smaller than a child's toy, in every grain field the size of a playing card, the Canadian folk are going steadily about their business.

One imagines them, from three miles up, at work in factory, field and office, perhaps listening to the radio news at night, reading the papers, pondering events in Ottawa for an hour or so, then going, unmoved, to their beds.

They may have profound views on politics, they may grow momentarily excited about the pipeline and utter opinions, favorable or otherwise, on Mr. Howe. But even if the pipeline is built, even if the Government or the opposition is undone, even if the storm of an election blows briefly over the land, it will be still unchanged.

The Timeless Strength Of the Land Remains Immutable Despite Men

The water is stored in the sponge and winking lakes of the pre-Cambrian shield and in the reservoirs of the Rockies to spill down the rivers, turn men's turbines and irrigate his pastures. The earth is surging up now in the first green shoots of his crop. The trees for his use are growing in dark smear to the edge of the tundra. Within the rocks the minerals are awaiting his search. Beneath the prairies gas and oil are ready to his hand.

And as the lights of Vancouver come into view, sewn across the mammary swell of the Fraser's valley like spangles on a gown of black velvet, the Pacific with its bobbing ships sweeps out in the darkness toward Asia where the sun's scarlet signature writes finis to another day in Canada.

Another day when Ottawa writhed, reeled and emitted faint, painful noises; another day when the teletypes clicked and the headlines rolled off the presses; another day when the rivers ran as they have always run, trees grew, seeds sprouted, the treasure of the ancient rocks waited intact as from the beginning of time; another day when Canada, from ground level, was gripped by sound and fury, signifying nothing but, from the perspective of three vertical miles, lay serene, secure, in all essentials immutable, and far stronger than the angry men of Ottawa suppose.

Chemical Expansion Bets On Solid Future

(Continued from page 1)

owned by British American Oil Co. and Shawinigan Chemicals.

Imperial Oil is considering plans to get into petrochemicals in a big way. Possible recovery in considerable volume of such all-important petrochemical building blocks as ethylene, butylene, propylene could have a major impact on the growth pattern of Canada's Chemical Valley at Sarnia.

Definite start on the western leg of the trans-Canada gas pipeline will speed **Polymer Corp.'s** major decision on construction of a $15-million butadiene plant to supply a growing raw material requirement of its booming Sarnia rubber plant.

The big question is one of plant location — in Sarnia close to its synthetic rubber plant, or somewhere in Alberta close to plentiful supplies of low-cost butanes from gas treating plants?

Possibly the biggest petrochemical project under construction is the integrated ethylene oxide and polyethylene plants of **Union Carbide Canada** at Montreal East.

In view of the fast-expanding chemical markets over recent months design engineers have upped the size of these projects on five different occasions. For instance, capacity of the new polyethylene plant to come into operation early next year will be 40% greater than had been originally planned.

Well advanced on a $10 million expansion program **Dow Chemical of Canada** has now decided to boost substantially the stature of this second big expansion phase.

Propelled by the skyrocketing polyethylene market which this year will consume close to 24 million lb. in this country—a 50% increase from last year—**Canadian Industries Ltd.** officials are seriously considering an expansion of its $14-million polyethylene plant at Edmonton.

Shell Oil Co. of Canada has plans for further diversifying product output from its Montreal East petrochemical plant.

Canadian Oil Cos. will expand petrochemical operations at its Sarnia refinery by a $3-million installation to produce chemically pure benzene, toluene and xylene from petroleum.

Other segments of the chemical industry with growth programs:

Fertilizers: the $22-million Medicine Hat, Alta, plant of **Northwest Nitro-Chemicals** to make nitrogenous fertilizers; active consideration by **Canadian Hydrocarbons** of a $25-million plant in the Winnipeg area to produce high analysis nitrogen-type fertilizers.

Explosives: The $7-million plant of **Du Pont of Canada** now under construction in the North Bay area.

Synthetic Fibres: The $8-million plant of **Du Pont** now under construction at Maitland, Ont., for first Canadian production of Orlon.

Ammonia: A $9-million, 200-tons a day capacity plant of **Canadian Industries Ltd.** at Millhaven, Ont.; active consideration by **Quebec Ammonia** of 125-tons-a-day fertilizer plant, possibly near Maitland, Ont.

Shutdown Will Kick Off Mid-July Vacations Rush

(Continued from page 1)

them with a hot-and-heavy demand in mid-summer which cools off quickly.

Ontario is showing the way in the trend toward plant shutdowns rather than staggered holidays.

An official of the Toronto Board of Trade, which is making a survey in its area, told The Post:

"Shutdowns are a fast-growing tendency. They were uncommon a few years ago. Now there are hundreds in this district alone."

There are similar reports from other provinces although the shutdown habit isn't nearly as widespread in the Maritimes and the Prairies. Partly, this is because of the relative scarcity of production-line-type industries in these provinces.

Big Problem

But it poses a big problem for Canada's $700-million-yearly tourist industry.

Operators are faced with a higher concentration of holidayers during July and August. No factory shuts down in June or September because these are months during which schools are open.

Thus there is an increase in July-August demand and a relative decline in demand during June and September.

The problem is particularly acute for tourist operators in vacation areas adjacent to smaller cities with large factories having holiday shutdowns.

To get an idea of the magnitude of this problem, take the auto and electrical manufacturing industries.

Five big companies employing almost 50,000 people will close down in these two industries for two-week periods during July and August.

That means holidayers will pour out of Hamilton (Westinghouse), Windsor (Chrysler, Ford), Oshawa (General Motors), Oakville (Ford), Peterborough (Canadian General Electric) and a number of other centres (which have CGE, Westinghouse or supply company plants which will close down).

The operators who get the hundreds of thousands of dollars to be spent by these people will be the ones who have the facilities ready for them. Both earlier and later in the year they will have to find other customers — if they don't want to go bankrupt.

Here's a look at the holiday intentions of some major Canadian industries:

Autos: All the Big Three — General Motors, Ford, Chrysler — will close down production during the last two weeks in August. This means more than 30,000 Ontario car company workers will go on holiday during those weeks. Holiday shutdowns have been common in autos for years.

Chemicals: Virtually all companies stagger holidays. In such a closely integrated operation as a chemical plant it's hard to close down the whole plant or different units within the plant without hurting efficiency.

Basic steel: Whole plants won't be closing down, though separate units may, on a staggered basis. Before a unit closes down it builds a production backlog for others to work on.

Electrical manufacturing: Both Canadian General Electric and Westinghouse (probably 16,000 workers between them) are shutting down plants the last week of July and the first of August. Same for Canada Wire & Cable. Shutdowns are common in this field.

Retail: Almost all holidays are staggered.

Graphic arts and printing: There's a division here. About 40% close down completely; under 10% give holidays to half the staff at a time; more than half stagger holidays.

Meatpacking: Staggered holidays; meat must be handled as it comes in.

Textiles: Some shut down, some don't. Most popular shutdown period this year seems to be late July, early August.

Insurance companies, banks: No shutdowns.

Office workers generally: Mostly staggered, except where some are given holidays at the same time as production employees of the same firms.

If Pipeline Forced Election How Would Government Fare?

(Continued from page 1)

won't get much support from Premier Bennett.

On almost any other issue, Bennett's weight, thrown against Liberal candidates, could cost seats. On the pipeline issue, he can't work against the Liberals without splitting Social Credit and dashing his own hopes for national leadership.

In Ontario, the Government might lose some strength — but here again, desire for gas is likely to override other considerations unless Opposition parties produce policies less negative than the ones they now embrace.

Tactics of delay and negation may be all an opposition needs in Parliament; but on the hustings, even an opposition must do more than oppose.

In Quebec, the pipeline issue is not likely to be paramount — but there's no evidence that any other issue will swing votes away from the Liberals. The Maritimes may react against the pipeline because of its threat to the coal economy, but unless they pick up votes elsewhere, the opposition parties won't win power with a Maritime landslide.

As for closure, it may cause some Canadians to cast votes against the Liberals, but these may be offset by Liberal voters who object to the use of procedure to choke off action by the duly elected majority.

Add to all these considerations the fact that the Liberals would be opposed by two parties with inconsistent views, and a pipeline election hardly looks terrifying to the Government.

The Toronto-Dominion Bank

The Toronto-Dominion Bank has offered to the holders of its Capital Stock of record May 11, 1956, Rights to subscribe for additional shares of the Bank at an attractive price.

We believe that this is an opportune time to purchase shares of the Bank and for present shareholders to add to their holdings by the exercise of their Rights.

A. E. Ames & Co.
Limited
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ANNOUNCEMENT

CANADA LIFE APPOINTMENTS

A. R. DYMOND

A. C. ROUGH

L. G. ROBERTSON

Announcement is made by The Canada Life Assurance Company of the appointment of A. Ronald Dymond as Manager of the Company's Mortgage Operations in the Province of Quebec, with headquarters in Montreal. He has been Manager of the Company's Toronto Mortgage Branch.

Allan C. Rough, the present Supervisor, is retiring on July 1st after more than forty-two years of loyal service.

Lloyd G. Robertson has been appointed Manager of the Toronto Mortgage Branch. He was previously Assistant Manager in Montreal.

SALES ARE MADE *at home*

Shopping at home through the pages of an evening newspaper is a family habit that has remained constant for generations. This "whole family" buying interest presents advertisers with a golden selling opportunity.

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Write to the Director of Advertising for up-to-date facts and figures on the Star and its market.

The Montreal Star
"Canada's Greatest Newspaper"

CPA buys BRISTOL BRITANNIAS

Latest order to be announced by The Bristol Aeroplane Company, Limited is one placed by Canadian Pacific Airlines for 5 Britannias MK 310 (with an option for 5 more) scheduled for delivery in 1957.

To airline operators the Bristol Britannia MK 310, the world's first long-range turbo-prop airliner, opens up completely new vistas of economical, high-speed trans-continental and overseas air travel. And for passengers, the absence of noise and vibration in the turbo-prop Britannias, plus super-luxury, the latest in seating comfort and picture windows, will make "Britannia travel" the most desirable in the world.

THE BRISTOL AEROPLANE COMPANY OF CANADA (1956) LIMITED
MONTREAL • WINNIPEG • VANCOUVER • MEXICO CITY

ANNOUNCEMENT

O'KEEFE'S APPOINTMENT

DAVID J. ROCHE

Mr. T. E. Arkell, President of The O'Keefe's Brewing Company Limited is pleased to announce the appointment of David J. Roche as Vice-President effective June 1, 1956.

Pipeline Bill Approved

Passage by Parliament of the Trans-Canada pipeline bill will mean that Trans-Canada Pipe Lines Ltd. can take up immediately its option on the pipe for the Alberta-Winnipeg section of the line.

The original agreement with Tennessee Gas Transmission Co. under which Trans-Canada Pipe Lines Ltd. obtained an option on the 34-inch pipe owned by Tennessee, had two main conditions: (1) That the pipeline project receive legislative approval in Ontario and in the Canadian Parliament; and (2) that licenses and permits for import of the gas into the U. S. by Tennessee be approved by the U. S. Federal Power Commission.

However, this original agreement was amended and since May 11, the one remaining condition has been passage of the pipeline bill by Parliament.

The Opposition suggested last week in Parliament that although the average prices at which Manitoba users could buy gas was below those available to U. S. buyers, the initial price in Manitoba would be higher. Trade Minister Howe said this would be changed if this were the case.

A special rate schedule put into effect in February, however, provides rates (based on a 90% load factor) which would give Manitoba users a lower cost than that available in the U. S., The Post is informed by Trans-Canada officials.

ANNOUNCEMENT

S. V. MUSSELWHITE

Mr. F. W. Marsden, Vice-President and Secretary Treasurer, Fiberglas Canada Limited, announces the appointment of Mr. S. V. Musselwhite as General Traffic Manager of the company. Mr. Musselwhite is a Director of the Canadian Industrial Traffic League.

Foreign Insurance Companies Act
Individual Underwriters

Notice is hereby given that Certificate of Registry No. C1804 has been issued as at 24th May, 1956, by the Department of Insurance, Ottawa, to Individual Underwriters (New York City, U.S.A.), authorising it to transact in Canada the business of Personal Property Insurance, limited to the insurance of the same property as is insured under a policy of fire insurance of the exchange, in addition to the classes for which it is already registered.

LESLIE PHILLIPS,
Chief Agent for Canada

Foreign Insurance Companies Act
Metropolitan Inter-Insurers

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LESLIE PHILLIPS,
Chief Agent for Canada

Foreign Insurance Companies Act
New York Reciprocal Underwriters

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LESLIE PHILLIPS,
Chief Agent for Canada

Retail In-Fighting Worst Since 1930s

(Continued from page 1)

time—otherwise the premium is a trading stamp and illegal.

That's the dark side. Balancing it are many cases where merchants report big gains in business volume, more than enough to offset lower individual item profits, and opening up of new ma kets for previously slow-moving goods.

"Premiums are a real traffic builder for us," a chain store manager noted. "We get a lot of new customers with the initial advertising, then hold on to most of them while they collect credits for merchandise they want. Since our premium plan pays for itself, we don't actually have to spend money on the promotion and each additional customer it gets means pure gravy for us."

Premiums Can Help

"If used intelligently, premiums can help sales," a Toronto premium house executive said. "They retain old customers, get new ones, introduce new products, help lagging sales of older ones. The most successful have been ones developed for a certain purpose and well promoted."

These various deals add up to a whopping $200 millions plus business each year in Canada for the premium industry.

Here Are Plans

Among the major plans currently in operation are these main varieties:

1. Direct premiums: Such things as drinking glasses, enclosed novelties, steak knives, etc., which are included with the package at the time of purchase. Dozens of these have been offered for years in Canada by makers of jams, jellies, cereals, confectionery and flour mixes.

2. Coupon plans: These are the rage of the grocery chains in Eastern Canada. Loblaws and Steinberg's both have schemes running where customers are sold single certificates for about 5c with every 25c-50c worth of groceries bought. These coupons then are redeemable for various premiums, mainly appliances and hardware.

3. Self-liquidating plans: Goods offered at a cut rate together with a box top or label. These schemes pay for themselves since the cut rate is equal to quantity price the maker pays plus handling costs—usually still below regular retail level. A popular gimmick for soaps, cereals, similar goods. Admen claim higher readership for ads using these premium come-ons.

4. Merchandise sets: Cut-rate sale of goods in sets, one piece at a time, such as aluminumware or books, which ensure repeat trips to stores since shoppers have to return for several weeks in a row to complete their sets.

5. Cash register tapes: Tapes totaling a specified value are redeemed in the store for a premium. Many of these plans require part cash with the tapes, sufficient to make the scheme self-liquidating. Popular lines: Dinnerware, silver sets.

6. Deals: Special two-for offers, or 25c off regular price bargains are used to introduce new products, jack up weakening regular lines. One drug chain extends this to its whole line with an annual 1c sale, offering one item at regular price with a second one at 1c. Like most of the other schemes, deals can result in permanently lowered prices if competitors all follow suit and keep up their special offers.

Here's the situation in major centres coast to coast as reported by Financial Post correspondents:

MONTREAL: Most of the large food chains and independents, drugstores, bakeries, restaurants and housewives are using premium plans in the Montreal area.

"Business is just boiling," President Claude Giroux of the Premium Advertising Association of Canada reports, "its never been better."

A variation of the trading stamp is one of the more popular sales boosters. Cost to participating merchants is estimated at 1½%-2% of gross sales with premiums of china, silverware, clocks, radios, toasters, fans, hotplates, linens, glassware and other household goods. An estimated 2,000 or more merchants in the Montreal area are using stamp plans so far.

Most of the stamp plans are believed to be legal since stamps from various stores are kept in separate books, merchandise is available in the stores, stamps bear the name of the store in which they were obtained and value of the stamps is printed on them. However, some merchants queried said there are plans in operation that do not fully comply with the law.

Chain food stores and other supermarkets are using self-liquidating premium plans with a 5%-12% profit on the cash-in price of the premium merchandise.

WINNIPEG: Coupons of various kinds with values of 5c, 10c and occasionally 25c are used in various food stores and supermarkets as a merchandising booster for general business and special commodities.

For the future, officials of the Retail Merchants' Association in Winnipeg report a major premium operation is being planned by a company in the city servicing various stores in the area.

Cost of premiums already in use are estimated at up to 5% of gross sales for operators involved.

No great growth of trading stamps or premiums is expected in Manitoba. Retailers queried by The Financial Post reported unanimous opposition to adoption of plans. Only possible change may come from entry of new food chains into the market area.

CALGARY, EDMONTON: Raffles and give-aways are popular traffic builders in Alberta. So far no trading stamp plan is being operated but a Calgary wholesale house with a large rural trade is reported studying a scheme for possible use later this year.

Main reason keeping merchants away from extensive premium giving is the Alberta Retail Code which forbids use of free goods or premiums of any kind at penalty of suspension on conviction. As a result, manufacturers and wholesalers from outside the province are the main supporters of product-pushing gimmicks.

FREDERICTON: A new promotion plan offering a wide variety of premiums has been recently introduced in New Brunswick around Fredericton and Saint John. Participating stores issue stamps (one for every 10c worth of purchases) which are saved in books and redeemed for the premiums (350 stamps for a bathroom scale, etc.).

So far, the new premium plan has not been taken up by a great many stores in the district although some retailers forecast bigger business once returns on premium stamps are started.

Canadian Firms Look Over Bermuda's Free Port Deal

(Continued from page 1)

lieved to be cosmetic manufacturers, are looking over the deal.

Details of regulations made under the Bermuda act—if there are to be any — haven't been drawn up or at least haven't been made public.

Bermuda passed the act because legislators became convinced the island's economy needs variety. Tourists paying hidden taxes (kept low so that the tourist still gets bargains) support the economy.

Essence of the act:

1. "The Freeport shall be a prohibited area and any person other than a member of H.M. Forces or an employee of the Admiralty or the Government entering therein without the prior authority of the Corporation" can be fined up to $150 and sent to jail for up to three months. This section is designed to keep tourists out of manufacturers' hair, The Financial Post was told.

No Taxes

2. "No taxes shall be levied or collected by any authority upon or against any real or personal property within the Freeport."

3. "No duties shall be levied or collected by the Government upon or against any goods, articles or things (other than consumable goods as defined hereafter) imported into the Freeport, or manufactured, processed, assembled, packaged or warehoused therein, or exported therefrom to a place outside these Islands" by a firm licensed under the act. Consumable goods, the act says, are "food, liquor, beverages, cigarets, tobacco and other such goods imported for sale by retail or for consumption in the Freeport."

Foreign Insurance Companies Act
Affiliated Underwriters

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LESLIE PHILLIPS,
Chief Agent for Canada

Foreign Insurance Companies Act
American Exchange Underwriters

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LESLIE PHILLIPS,
Chief Agent for Canada

Sparrow Missile Still Best Bet For RCAF Plans

(Continued from page 1)

is part of a whole complex weapons system designed for automatic operation in a single-seat fighter. If it proves itself it will fit into a machine which is half-way toward the unmanned fighter of the future.

For a country with the resources of the U. S., it is considered a thoroughly useful experiment. But Canada — which has got to rely on a kind of one-shot aircraft program — is sticking to its two-man all-weather fighters and a weapons system under human control.

The Falcon is a product of the Hughes Co. which is providing the fire control system for the Avro-built CF-100 and consequently has very close links with Avro Canada. Avro, for this reason, might have had some hope of getting the job of manufacturing Falcon if the RCAF choice had gone that way.

As it is, the Canadian Government is almost sure to want to have its chosen guided missile built by the existing team of guided missile experts which worked on the now-abandoned Canadian missile "Velvet Glove."

Canadair Ltd. was the master-contractor on this project, with Canadian Westinghouse doing the electronics.

The favored Sparrow II has been developed in the U. S. by Douglas, with Bendix doing the electronics. It has been reported that for this reason Bendix might hope to get the electronic work in Canada as well.

But the normal procedure of the the Department of Defense Production calls for manufacturing rights to be acquired by the Canadian Government itself. Then it is entirely within the Canadian Government's authority to decide which Canadian firms should be employed.

New U.S. Surplus Offers Called Old-Hat In Ottawa

WASHINGTON

(Continued from page 1)

sion to make the offering has not yet been formulated but is expected to be sent soon to Congress for its okay.

Canada Protests

Canada has repeatedly protested against the local currency sales as being unfair. Trade and Commerce Minister C. D. Howe has said Canada has lost millions of dollars in wheat sales because of the U. S. special deals.

Under the U. S. program, Uncle Sam accepts pesos, yen, francs or whatever the local currency is, instead of dollars. Many times, it will lend the country the money to buy the U. S. surpluses.

And often the special deals amount strictly to foreign aid through the triangular deals. These are the deals where a country buying the U. S. surpluses will ship machinery to an underdeveloped area instead of paying money to the U. S. for the surpluses.

All these deals are supposed to be over and above normal trade, but Ottawa has protested that such deals are replacing normal trade instead of supplementing it.

On a normal cargo of wheat being sold under the special deals, the U. S. Treasury pays a surplus of about $200,000. This puts the Canadian farmer in the position of competing with the U. S. treasury, and this, says Ottawa, is entirely unfair trade practice.

Similar protests have come to Washington from New Zealand, Australia and other farm exporting countries.

Despite the protests, however, Washington is operating on the basis at present that it must export the surpluses in order to get rid of them. Consequently, for the next year or so at least, Canada will find the farm trading policies of Uncle Sam a little unpalatable, in so far as the surplus commodities are concerned.

So far this year, however, Canada has been able to make up any loss in sales because of these special cut-rate U. S. deals.

OTTAWA

(Continued from page 1)

month by month to hold their meetings with U. S. officials about wheat disposal, as arranged at last fall's meeting of Canadian and U. S. cabinet members.

No one here exaggerates the influence which Canada can exert through these meetings. Certainly Canadian representations have not curbed the giveaway programs, though they may have helped to keep them within some bounds.

Lip Service

The U. S. law pays lip service to the idea of not interfering with normal trade. It would be difficult, if not impossible, to claim that so huge a program could be accomplished without upsetting normal trade; certainly no Canadian would say it could be done.

In the present U. S. crop year, which started last July 1, the total disposal of bread grains, flour and feed grains, under the various surplus programs came to $424 million.

Feed grains were only $72½ million, leaving $352 million for bread grains and flour. This is up to the end of May.

A complete list of the countries which have received these gifts, under various guises, is given below.

Canadian objections to the whole surplus disposal program can be broadly stated under three heads:

1. Most important, because of most direct concern to Canada, is the unfair competition in world wheat markets. U. S. apologists are apt to say that this year's record of wheat sales shows that we have not done too badly. We will, in fact, by the end of the crop year have sold almost as much wheat as the Americans.

Canada has reached out into eastern European markets which the U. S. was not touching. But Canadians don't find this much consolation for the "stalling" of our regular and normal markets by U. S. Government offers, backed by all the wealth of the U. S. Treasury.

2. If U. S. giveaways impinge on our normal commercial sales of wheat, they are having at least as bad an impact (and probably a more serious one) on sales of cotton and rice by some of the underdeveloped countries which the U. S. State Department calls "uncommitted."

So far the accumulation of cotton in U. S. government stores has been proceeding far faster than the disposal. U. S. cotton carryover at the end of the current crop year will be a new record. A big drive to dispose of it is being promised.

Impact on Cotton

The impact which this drive may have on traditional cotton producers, like Egypt and Pakistan, is viewed with very real concern here. In Canadian eyes this is not a smart way to win "uncommitted" countries to the side of the West.

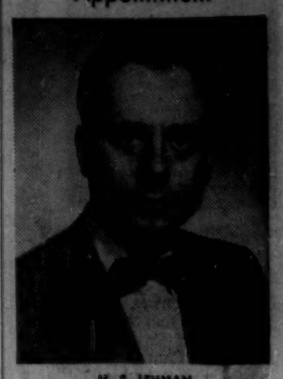
The same considerations, exactly, apply to rice disposal efforts in relation to such countries as Burma and Thailand.

Where the U. S. gifts have gone:

$ 1,000			
Austria	13,450	Jordan	500
Bolivia	8,716	Korea	29,030
Brazil	35,110	Lebanon	2,290
Chile	6,220	Libya	900
Columbia	3,400	Pakistan	8,000
Ecuador	1,100	Paraguay	1,670
Egypt	15,418	Peru	2,780
Finland	7,540	Portugal	7,100
Formosa	16,125	Spain	7,300
Germany (West)	21,350	Turkey	12,977
Greece	27,924	Vietnam	2,000
Guatemala	3,768	Yugoslavia	55,450
India	19,427		
Indonesia	5,000		
Iran	3,900		
Israel	22,249		
Italy	7,600		
Japan	49,750		

ANNOUNCEMENT

Ainsworth Electric Appointment



H. S. LEHMAN

Appointment of H. S. Lehman to the newly-created post of Secretary-Treasurer is announced by F. C. Ainsworth, President, Ainsworth Electric Co. Ltd., effective June 1st. Mr. Lehman was formerly Office Manager of the company. He joined Ainsworth Electric in 1945, following several years service with the R.C.A.F.

New "Gordon Plan" Seeks Answers To Engineer Lack

Canadian industry soon will make its own move toward getting more engineers, technicians and scientists.

Industrial leaders will meet—probably in September—to hammer out the whys and hows of Canada's technical manpower problems.

The Financial Post learned at mid-week that Crawford Gordon, president of A. V. Roe Canada Ltd., Toronto, will present a blueprint of this country-wide scheme to the Canadian Manufacturers Association this week.

Under the Gordon Plan, some 50-75 heads of industry, leaders in their fields, plus representatives of professional engineering schools in Canada, plus representatives of various associations of professional engineers will gather for a two-day conference.

They will decide on recommendations—particularly in the field of scientific education—to be sent to universities across the nation and to provincial and federal governments.

A. V. Roe To Pay

Site of the conference is expected to be the Seigniory Club, with A. V. Roe picking up the tab.

The conference will be the first such in Canada on one of the western world's most pressing problems: What to do about the continuing and increasing shortage of top technical personnel?

Possible recommendations of the conference:

- Universities operating 12 months a year.
- Organized industry subsidies to students.
- Night engineering courses (FP, June 2).

The Gordon Plan is the reverse of what happened in the U. S. There, President Eisenhower directed the appointment of a national committee to look into the problem and report.

Here, industry is looking into the problem and indirectly asking the Government report back to the people, although industry will share at least some of the inevitable cost.

Announcement of a steering committee for the fall conference will be announced shortly.

Look For It Here

June 9, 1956

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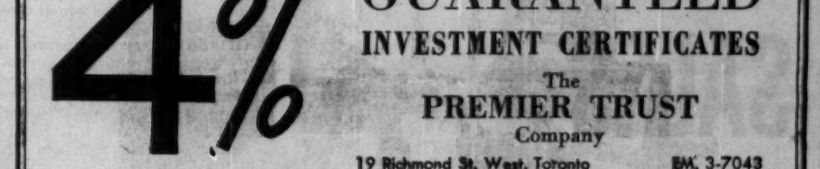
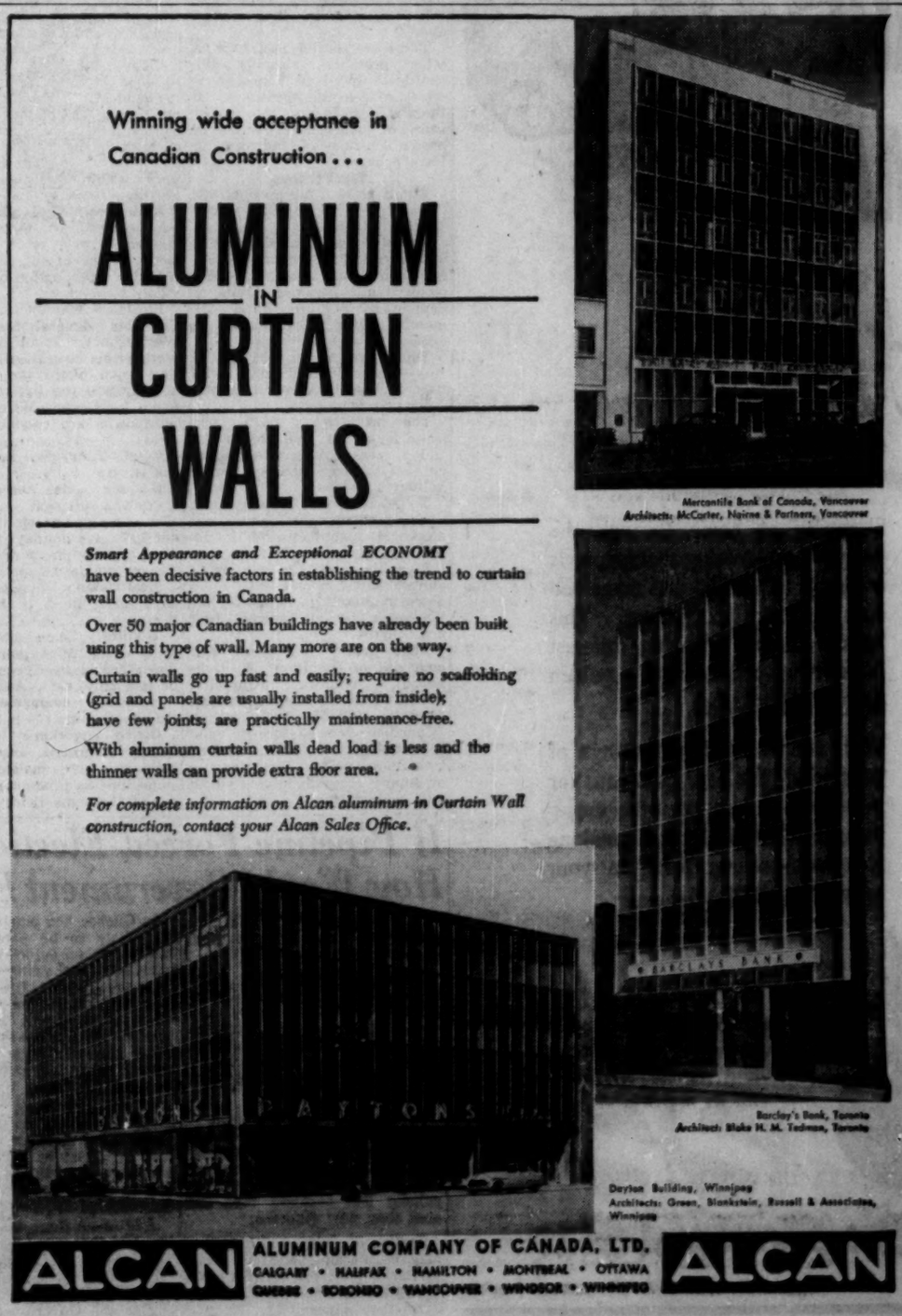
Sheraton Plans To Move West

(Continued from page 1)

will probably be along the same lines. We have been looking at Western Canada very carefully and are definitely planning something."

He said the modern idea was to take hotels out of the city though still keeping them within easy reach of downtown. In that way it was possible to cater for city trade as well as to compete with motels. And the new hotels would give something that motels could not offer—full hotel services.





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HEAD OFFICE—WAWANESA, MANITOBA
Toronto Montreal Edmonton Winnipeg Vancouver

$50 Mill. Plans For Alberta Power

From Our Own Correspondent

CALGARY — Two hydro schemes that could mean a sizeable contribution toward meeting the growing demands from industry are being contemplated in Alberta.

—Calgary Power Co. is reported investigating construction of a $40-million dam on North Saskatchewan River at Nordegg where it emerges from the Rockies.

—The Provincial Government, with a $10-million dam in mind, is conducting a survey of the Ajsa where Brazeau River joins the North Saskatchewan.

Calgary possibly would build its dam 100 miles west of Red Deer but no definite plans have been made.

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LABOR ROUNDUP By JACK McARTHUR

This Could Father Inflation

Flat Tire On The Annual Improvement Bandwagon

Unions and companies are scrambling onto the annual-improvement-factor bandwagon in growing numbers.

At first glance, a fixed increase in wages every year (which, theoretically, matches the long-term trend to increased productivity) seems a neat way of disposing of a controversial subject: Union demands for higher wages.

There's no doubt it has saved trouble in the past, will do so in the future. Strikes have been avoided because a company and a union had agreed months or years before that a wage boost of a fixed amount was appropriate every year for a period of years.

But like almost every other pat solution to labor troubles, it has distinct disadvantages and an element of unreality.

—The main disadvantage: An annual improvement factor of, say, 6c hr. (the most popular figure at the moment) can be a built-in prod toward inflation.

—The main element of unreality: There's nothing very concrete to suggest that worker productivity is rising at a long-term rate equivalent to 6c a year taken as a percentage of total wages. This is a myth.

These two points are part of the same picture.

Suppose over a period of years, with many companies either voluntarily paying a 6c improvement factor or being forced to do so because of a pattern firmly fixed, that worker productivity (in dollar terms) does not match the 6c factor.

The result: Increased productivity doesn't compensate for the 6c increases, prices rise. It's not hard to see how this could start an inflationary spiral.

But isn't it right that worker income should rise hand-in-hand with worker productivity? Yes; almost every one accepts that proposition.

But:

—Worker productivity in a given industry increases irregularly, is much dependent upon management ability, installation of new capital equipment, new methods, etc.

—Changes in worker productivity vary from industry to industry. Yet, annual improvement factors tend to be much the same through all industry.

—The overall industrial average of increases in worker productivity is not a steady upward trend. It's irregular, leaping in some decades, lagging in others.

This pretty effectively disposes of the annual improvement factor as a realistic mirror of increased efficiency. And many companies and unions, aware of the unreality of the mirror theory, have discarded it.

This brings the whole theory of annual improvements down from the ivory tower to the hard ground of practicality.

By establishing a fixed pattern of increases, management takes a chance there won't be an economic slowdown which would make it very difficult to pay increases. Labor takes a chance there won't be price increases more than matching the annual wage increases; and that worker productivity won't suddenly spurt ahead at a rate more than matching the improvement factor.

And, if the improvement factor is written incontrovertibly into a long-term contract, the gamble is that much greater.

• • •

Nova Scotia Rift In Labor Unity

A tricky problem for labor unity is building in Nova Scotia.

It has the potential for an explosion, will require careful handling both by provincial and national labor leaders.

The background: United Mine Workers — which backed out of labor unity on instructions from U. S. Boss John L. Lewis — is much the largest labor group in the Province. The phrase "labor unity" is laughable in Nova Scotia without UMW.

Steelworkers — the next largest union — must work with UMW as a matter of commonsense self-interest. Most members of both unions are employed by Dosco, either in its coal mines or its basic steel plant in Sydney.

Local Steelworkers officials have said bluntly they will continue their association with UMW whether it's in or out of the Canadian Labor Congress.

Stir in these other facts:

—Many members and officials of UMW aren't happy about instructions from the U. S. to stay out of the CLC.

—There's some support in Nova Scotia for making UMW a kind of part-time member of the unity family on the local level. But CLC would be reluctant to approve that. And the UMW leadership in the U. S. might not, either.

—If UMW stays out of labor unity, it's fair game for raiding by other unions. And the national leadership of Steelworkers wouldn't be averse to picking up members from UMW, although that would be a long-term proposition.

If ever there was a mixed grill, this is it. It remains to be seen whether united Canadian labor can digest it without developing an ulcer.

• • •

Labor Briefs

Another hopeful sign of labor peace in autos this year:

Chrysler of Canada, in cooperation with United Auto Workers, has worked out an apprentice training plan "to meet the ever-increasing need for skilled tradesmen." (This week also saw the start of union-company negotiations on a new contract.)

It's a four-year training scheme covering applicants between 18 and 25 with Grade 12 or equivalent.

The subject of apprentice training is often a bitter bone of contention between management and unions in the auto industry.

• • •

Packinghouses — Canada Packers, Swift Canadian, Burns — have received opener notices on contracts with United Packinghouse Workers. That clears the way for a quick start on negotiations. Union wants a national wage rate (which would entail bringing all wages up to the Toronto men's level), higher shift premiums, a long list of fringe improvements.

• • •

It seems likely Ontario Labor will ask a time limit on interim injunctions issued in a labor dispute where there has been no argument presented by labor representatives in the case. This suggestion comes from Toronto and Lakeshore Labor Council. It would ensure that an injunction which operates for any length of time (say in restraining picketing) would be the result of court procedure at which argument from both sides has been heard.

• • •

Saskatchewan's two labor federations (one formerly CCL, the other TLC) may merge at a November convention. In Regina the two local labor councils (CCL and TLC) have decided to support the CCF for re-election in the June 20 provincial balloting. This is a victory for people who want organized labor to back the CCF nationally.

Indian Help Saves Sugar Beet Crop

From Our Own Correspondent

LETHBRIDGE — Southern Alberta's big beet sugar industry is hurdling an extremely tight labor situation so effectively that officials are confident there will be no losses due to manpower shortages during the growing season.

The crop, which requires much hand labor, is being grown on approximately 38,000 acres of irrigated land around Lethbridge for processing plants operated by Canadian Sugar Factories, Ltd., at Taber, Raymond and Picture Butte.

Generally, stands of sugar beets appear to be excellent in every district and will receive ample irrigation waters throughout the growing season.

It's hoped this year's crop will produce over 450,000 tons of beets and that extraction of sugar will exceed 125 million pounds.

However, Southern Alberta's record acreage of sugar beets could yet be affected by hail, insect damage, unfavorable harvesting conditions.

The industry faced a major crisis several weeks ago when it could not obtain assurances of adequate beet workers. For several years now, it has been fed sufficient workers because of the large flow of immigrants. This year considerably fewer immigrants came to Southern Alberta.

But not a single acre of beets has been abandoned. The industry and National Employment Service persuaded about 1,000 Indian workers to accept jobs in beet fields.

Several hundred Indians came from northern Alberta. More than 350 came from Indian reserves scattered about Saskatchewan.

The manpower situation was further eased by use of increasing numbers of mechanical beet-thinning machines. About a quarter of Southern Alberta's beet acreage is being thinned by such equipment this year, compared with some 15% last spring.

Grand Trunk Loss May Be $2 Million

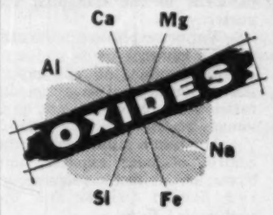
MONTREAL (Staff) — Grand Trunk Western Railway, one of the units of the CNR's system, may wind up with a net deficit of about $2 millions in 1956 despite a favorable trend in operating revenues in the first quarter, Vice-President and General Manager Francis A. Gaffney, reports.

Operating revenues in the first three months were $16,193,000, compared with $15,001,000 in the first quarter of 1955. This is an increase of $1,192,000, or 7.95%. Expenses at $13,419,533 ($11,421,-118) were up $1,998,415 or 17.50%.

The line had a net surplus of $811,195 in 1955 and a deficit of $3,310,600 in 1954.

Construction of new freight classification yards at Battle Creek and Flint, Mich., is well under way. The yard at Flint is expected to be completed in 1957, the Battle Creek yard a year later. They will cost $6.8 millions.

Equipment plans for the line include acquisition of 41 diesel locomotives, 16 for passenger operation, 100 covered hopper, 400 automobile and 100 flat cars.



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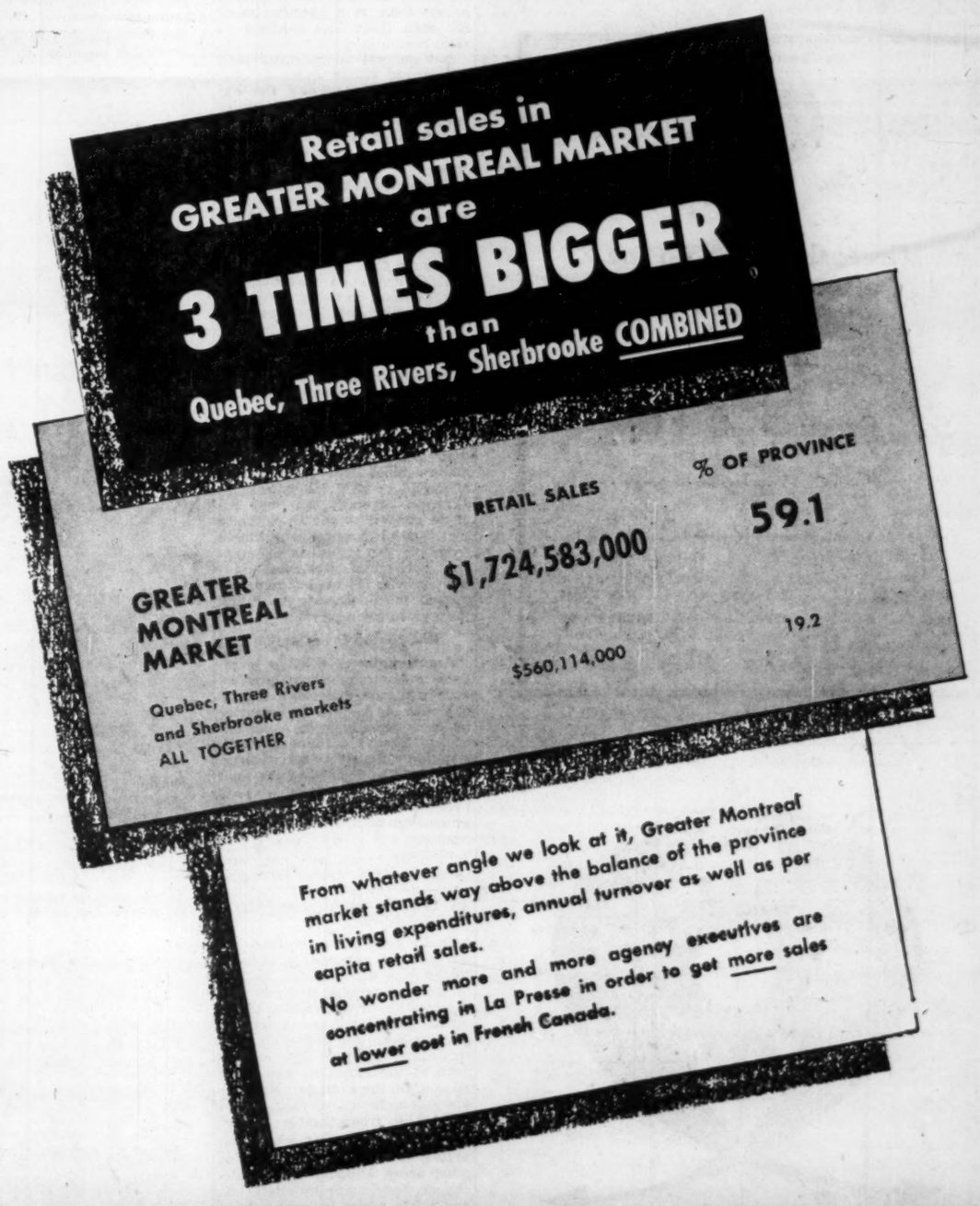

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They Insure Our Exporters At Bargain Rates

Here's How Export Credits Insurance Can Work For You

By VINCENT EGAN

OTTAWA (Staff) — A Canadian manufacturer was suddenly confronted with the bankruptcy of one of his oldest and most respected customers in a foreign country.

Another Canadian exporter just started receiving payments on a $6 million shipment to an overseas customer, when the customer's government ran into foreign exchange troubles and banned dollar payments to Canada.

In these, and in dozens of similar cases, Canadian exporters have been spared serious financial loss, thanks to a government agency which hasn't cost the taxpayers a cent.

Export Credits Insurance Corp., since 1944, has been protecting exporters at premiums that are among the lowest in the world. It's been one of the cornerstones of Canada's decade of export growth — from $2,312 million in 1946 to $4,282 million in 1955.

Up to the beginning of this year, this Crown corporation had collected $3,032,446 in premiums, and spent a net total of $2,913,562.

Claims of $6,256,644 were paid to Canadian exporters by the corporation — all but $390,000 arising out of foreign exchange transfer difficulties such as those that beset the exporter with the $6 million order. But, of these claims the corporation recovered $4,275,208. It expects to recover most of the balance as well, and has written off only $175,031 as irrecoverable.

Co-Insurance Basis

When a loss occurs, or a recovery is made later, it's shared by the exporter and the Corporation. Policies are written on a co-insurance basis, with the policyholder usually retaining 15% — sometimes up to 50% — of the risk.

Here are the risks that ECIC will cover for exporters:

—Insolvency or protracted (a year or more) default of the foreign buyer.

—Exchange restrictions in the buyer's country which prevent payment to the Canadian exporter.

—War or revolution in the customer's country.

—Cancelation of an import license, or imposition of import restrictions on goods not previously restricted.

—Any other cause beyond the control of both exporter and buyer, arising from events occurring outside Canada and the continental U. S.

But there is one type of loss not covered in ECIC policies — those arising out of trade disputes or outright repudiation on the part of the foreign customer.

The corporation shuns the rule of arbitrator between Canadian and foreign businessmen in disputes over quality or quantity. Such differences must be settled between the parties themselves, before ECIC will consider paying a claim.

Two Main Classes

Insurance written by ECIC falls into two main classes:

—General commodities, sold short, or normal, credit terms, with payment to be made within six months or less.

—Capital goods (plant equipment, heavy machinery and the like), with provision for progress payments over a somewhat longer period of time.

In both classes, ECIC will insure against the same risks. Insurance on capital goods credit is written in the form of a specific policy for each individual contract of sale.

But general commodities may be covered either under a "contracts policy" covering the exporter from receipt of the order until receipt of payment, or under a "shipment policy," protecting him from the date of shipment only.

The contracts policy form is designed chiefly to protect exporters of goods manufactured to the the buyer's particular specifications, and which are of no value to anyone else.

ECIC insists on spreading its risk. It won't normally sell insurance on shipments to a particular buyer or a single country. Instead, the corporation acts on the basic insurance principle that the risk be spread among all of an exporter's foreign customers — good and not-so-good alike.

There are two exceptions to this rule. Exporters may exclude from their ECIC coverage any sales made against Irrevocable Letters of Credit or paid for by cash in advance. Secondly, they may exclude exports to the U. S., since that type of coverage is available from private insurance companies. ECIC's aim is to avoid competition with private insurers, and instead to concentrate on filling the gap in their services.

Reasonable Investigation

Another aim of ECIC is to reduce to a minimum any interference with the exporter's normal business. As long as the exporter makes a reasonable investigation of his foreign customer's credit standing, finds it satisfactory, keeps ECIC informed of the total shipments it makes each month to every country, and pays his premiums, his ECIC policy is in good standing.

Premium rates are not published by ECIC, partly for diplomatic reasons and partly because all relations with policyholders are confidential.

But premiums are worked out on accepted actuarial principles, taking into account such factors as the class or type of goods sold, the country or destination, credit terms, annual volume of the exporter's sales, the degree of risk-spreading, previous loss experience of the exporter, and other factors. On the average, premiums are just under 1% of risks — and deductable from taxable income.

ECIC's loss experience has been higher in Latin America than in other areas, although foreign exchange restrictions by the U. K. and South Africa brought a sharp upturn in claims payments during 1949.

"The competition in Latin America is exceptionally keen," says ECIC's Assistant General Manager Wilfred Thomas. "All countries are competing for part of the market, and consequently there is pressure for extending credit terms beyond what is normal."

On policies covering shipments from Canada to Iron Curtain countries, ECIC has had no losses whatever — possibly because of the stringent contract standards it requires of exporters.

One of the biggest shipments on which it has provided credit insurance was last year's sale of 250,000 tons of wheat to Poland (Post, July 9, '55). The liability was insured by the Canadian Government itself, rather than by ECIC, under section 21 of the Export Credits Insurance Act.

Credit Risks

This section empowers the corporation to underwrite credit risks as the Government's agent, when the amount involved is larger than ECIC would normally undertake. In such cases, the Government bears the risk and pays ECIC a small commission for handling the business.

Most of ECIC's business originates in industrial Ontario and Quebec. Corporation's head office is at Ottawa, with Branches in Toronto and Montreal. An official of the Department of Trade & Commerce represents ECIC in Vancouver.

Overseas, claims investigations for ECIC are carried out by Canadian trade commissioners or commercial counselors, and on occasion by officials from ECIC headquarters.

"The banks are our biggest salesmen," Wilfred Thomas told The Post. ECIC will agree to pay any claims to the exporter's bank, which makes his foreign accounts receivable much more valuable as collateral.

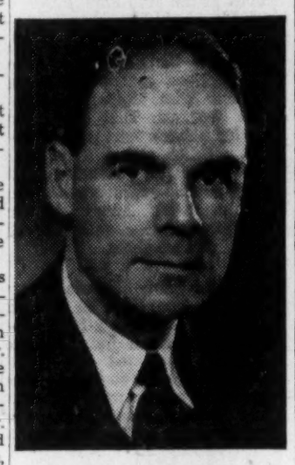
The exporter may make a blanket assignment to his bank of all his foreign accounts receivable, or may assign any individual bill. Many exporters undertake not to ship any goods abroad without ECIC protection.

The corporation is a member of a 14-nation group of export credits insurers, l'Union d'Assureurs pour le Controle des Credits Internationaux. ECIC's president and general manager, Hugh T. Aitken, is vice-president of the international body.

Aitken, a 43-year-old Montreal chartered accountant, came to ECIC when it was established in 1944, from the British Ministry of Supply in New York.

Assistant General Manager A. Wilfred Thomas of Windsor, Ont., gained his first-hand knowledge of export trade as Ford of Canada's sales manager in Malaya. After war-time service in RCAF intelligence, he joined ECIC 11 years ago this month.

HUGH T. AITKEN
President, Export Credit Insurance Corp.



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whose appointment as treasurer of Kingsway Transports Limited, has been announced by John W. McGiffin, Vice-President and general manager. Born and educated in Winnipeg, and a graduate of the University of Manitoba, Mr. Black joined Kingsway more than a year ago as chief accountant, having previously been associated with the accounting firm of Peat, Marwick, Mitchell & Company. James D. Fleming, C.A., a McGill University graduate, and a member of the Accounting Department, has been named chief accountant.

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HOW A BELLHOP'S BONER HELPED ME EARN $15,000

By a Wall Street Journal Subscriber

One time on a business trip I got to the hotel late at night. The only room I could get was an expensive suite. Next morning the bellhop handed me a copy of the Wall Street Journal by mistake. "Some rich guy must have had this room," I said to myself.

Well, I looked at The Journal. For the first time in my life I began to understand why some men get ahead while others stay behind. I learned about the far-reaching changes taking place in America. I found out about new inventions, new industries and new ways of doing business that are helping ambitious men earn money. I sent $20 for a year's subsciption to The Wall Street Journal and, believe me, it has paid off. Last year my income was $15,000.

This story is typical. If you think The Wall Street Journal is just for millionaires, you are WRONG! The Journal is a wonderful aid to salaried men making $7,000 to $20,000 a year, It is valuable to owners of small businesses. It can be of priceless benefit to ambitious young men who want to earn more money.

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We recommend that you subscribe for the new stock. If you are not able to do so, you may sell your Rights. If you will send your Rights certificate to us, we will sell them for you at the best market price obtainable and send you the proceeds. Please endorse the "Assignment of Rights" on the certificate before sending it to us.

.....

Would you like to buy more stock at $37.00 than you are entitled to? You may do so by buying additional Rights. Telephone or write us, sending us your certificate of Rights. We then will buy the additional Rights for you, and send you a bill. On receipt of payment, we then take up the stock from the Company and mail the new certificate to you.

.....

If you are not a shareholder of Bell, we invite you to become one at the present favorable price. The cheapest way to buy is for you to give us an order for the Rights. For instance, if you want to buy 100 shares, we will buy 800 Rights. If the price is $1.10 each, that will be $880, brokerage is $32, payment to the company $3700, total $4612. Ten shares would cost $461.20 if bought the same way. The price of Rights is subject to change and is quoted each day in the paper.

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CDN. BANK OF COMMERCE

Here is the monthly report by the fund manager to the members of the Beaver Club on their fund's operations:

On June 1 we purchased five shares of Canadian Bank of Commerce at a price of $51 a share to yield 3.14%.

The Canadian banking system is currently much in the public limelight. Almost all businessmen today are talking about the tight supply of money and the problems of getting more bank credit. Shortages of money in relation to rising demands are the result of a very large program of capital expenditure by business and government. Central monetary policy is aimed at keeping this program within the limits of our supply of manpower and materials.

Regardless of how such measures by the banks are received by the business community (many are getting more credit than before but still not all they feel they need), bank stocks should continue to remain in a popular light from the investor's point of view.

The most obvious attraction of the bank stocks is that they combine two desirable investment characteristics which are usually mutually exclusive — high-grade stable investment value and strong growth potential.

We are not prepared to go as far as some who claim that bank shares are as safe as bonds. Obviously bank earnings would fall with a decline in economic activity and a shrinkage in the money supply. But, as is revealed by a study of the relatively minor decline in bank earnings during the worst years of the 'thirties, the continued ability of a bank to keep its funds invested shelters it from the major loss of earning power which is suffered by most other businesses during depressed times. In addition, the substantial reserves both published and hidden which the banks have accumulated enable them to continue paying dividends in the face of declining earnings.

As for the growth feature of bank shares one need only look at the steady expansion of assets, earnings and dividends of any of the banks to see how their business has grown with the country.

The current credit squeeze and changes in regulations affecting the holdings of the chartered banks have forced them to sell substantial amounts of government bonds. With the falling bond market of recent months these sales have undoubtedly caused book losses. But the chances are that such losses will be written off against accumulated reserves and that a more significant factor affecting current earnings is the higher level of interest rates now charged by the banks and enjoyed on their new investments.

A change in the rate charged of ½ of 1%, say from 4% to 4½%, may at first glance seem of minor proportions, but it is in fact a 12½% increase and the effect on profits could be much greater. Suppose on a 4% loan 1% reaches profits before taxes. An increase to 4½% would on this basis result in a 50% increase in the profit on the loan. This rough calculation indicates the leverage effect on bank earnings of a seemingly small increase in interest rates.

Commercial Loans

The most profitable operation of a bank is its commercial loans and, although banks have been operating under somewhat increased restrictions and seem to have tightened up on loans to business, such loans have in fact continued to grow, judging from the most recently available bank statistics. The apparent tightness has been caused not by a contraction of credit, but rather by a growth in the demand for loans both for capital and consumer expenditures.

A 1954 amendment to the Bank Act facilitated the issuance of additional shares by means of rights to existing shareholders. Since then most of the chartered banks have broadened their capital bases through issuing rights to purchase shares. The Royal Bank has had two issues of rights since 1954 and in view of the still very narrow capital base of all the banks it seems likely that shareholders of most banks will enjoy the benefits of further rights issues entitling them to buy shares at a price below the market.

Some may argue that granting stock purchase rights to shareholders is no gift. It just means the profit pie is sliced in more pieces.

Rights are issued to shareholders of record on a stated date; after that, shares have no rights attached ("ex rights" in market terminology). Theoretically, when rights are issued the value of shares ex rights should drop so that the total market value of the new capitalization is the same as before, except for the addition of the new money actually raised in the offering.

However, from a practical point of view, this effect may be moderated by the maintenance of the same dividend rate per share and, if the shares tend to sell on the same yield basis, the decline in market value will tend to be resisted. In the case of an individual bank, increments of cash resulting in the expansion of the capital base can be used, theoretically at least, to increase loans by an amount equal to 10-12 times the new money added to the bank's capital. The resulting effect on profits per share should more than cover the existing earnings rate on the new stock issued.

Why Bank Stock Chosen

The decision to make our current purchase a bank stock was a straightforward, clear-cut one. There are ample reasons for choosing to invest in this industry.

When it came to selecting a particular bank stock the decision was more difficult. An examination of the statistical record of each of the main chartered banks reveals no obvious choice. Variations in statistical ratios are small and where differences occur they are usually compensated by offsetting factors.

In examining individual bank statistics, consideration must be given to whether or not a bank has issued rights since its year end. The figures in our table are based on the 1955 year-end statements. Since then three of the banks have declared increases in issued capital through rights. We have shown in brackets the earnings per share figures based on the increased number of shares.

And no matter how carefully you compare the profit figures which the banks publish you are not looking at the true earnings picture. Before these published figures have been arrived at, there have been substantial deductions—transfers to inner reserves which are known only to the Department of Finance and bank officials.

Bank Reserves

The banks have two types of reserves. The published reserves, called Rest Funds, are like the surplus of an ordinary company, built up from declared profits left in the business or from transfers from inner reserves or other surplus accounts. The inner reserves are built up by unpublished deductions from earnings (either before or after taxes). It is generally believed that during the prosperous post-war era the banks have been making large transfers to inner reserves and that such accounts may now be bursting at the seams.

The only time an investor has a clue to the size of these mystery reserves is when portions of them are peeled off and made public by transfers to the Rest Fund. If a bank is contemplating issuing additional shares there is an incentive for it to make such a transfer since the price which it may ask for new shares is limited by the relationship of its Rest Fund to the paid-up value of its capital stock. By increasing its Rest Fund a bank may increase the price at which new shares are offered.

The Bank of Commerce transferred $10 millions from its inner reserves to its Rest Fund in 1954. This was equal to $3.33 per share on the basis of the shares then outstanding. How much was left after this transfer is as much an unknown as how much has since been added. In view of the increased tempo of the bank's business it is reasonable to assume further substantial amounts have been tucked away. To the extent that this has occurred, earnings and shareholders' equity are greater than appears from available figures.

We have selected the Bank of Commerce because it has proven to be one of the fastest growing and most successful banking operations. Its current yield is not as favorable as some of the others — particularly the Royal Bank. However, the current market on Royal Bank shares represents an ex-rights price. Were the Bank of Commerce to issue rights, and it is not unlikely that they will be one of the next to do so, the yield on this stock would similarly be raised after the shares went ex-rights.

The fact that statistical comparisons between the banks cannot be done on more than a superficial basis should not cause us to worry. Looking at the past performance of bank stocks, they all appear to behave in a similar pattern. Since 1951 the market value on most of the bank shares has almost doubled. Let us hope this trend continues.

Beaver Club Monthly Statement:

Since Nov. 1, 1955, each original member has invested $80. It is now worth $89.90.

AS OF MAY 31, 1956

	No. of Shares	Cost per Share	Market per Share	Total Current Value
		$	$	$
Interprovincial Pipe Line	15	26.50	38¾	581.25
B. C. Power	5	34.13	39	195.00
Abitibi Power & Paper	5	35.00	39	195.00
Loblaw Companies "B"	12	23.63	19⅛	229.50
Algom Uranium warrants	25	7.40	7.00	175.00
Ontario Jockey Club 5½% convertible preferred	20	10.00	12	240.00
Bailey Selburn Oil & Gas 5% convertible preferred	5	30.00	31½	157.50
				1,773.25
Add credit with broker				24.80
Net asset value				1,797.05
Total contributions to date				1,601.86
Net asset value per dollar invested				1.12
Number of Beaver shares outstanding April 30			130.68	
Number of shares purchased May 1 20 X .815			16.30	
Number of shares outstanding May 31			146.98	
Number of shares held by each member			7.35	
Net asset value per Beaver share			$12.23	
June 1 payment will purchase			.818 shares	

Chamber Is Canada's Voice In Japan Commercial Pact

For details on Japanese-Canadian trade, see the Special Report on Japan in this issue.

OTTAWA (Staff)—Final agreement on a Japanese-Canadian commercial arbitration pact is expected to be reached within a few days.

Negotiations have been proceeding for several weeks between Japanese embassy officials and several major Canadian trade groups. The Boards of Trade of Vancouver, Winnipeg, Montreal and Halifax have indicated their approval of a draft agreement, and the Toronto Board of Trade may announce its decision early next week.

In the final agreement, Canada would be represented by the Canadian Chamber of Commerce and Japan by Aiichiro Fujiyama, president of Japan Chamber of Commerce. An exchange of letters between the two Chambers would put the agreement into operation.

Japan has had a similar agreement in effect with the U.S. since 1952, and also has commercial arbitration agreement with India and the USSR. The pact with India was signed in May, 1955, and with Russia, in April of this year.

Settling Disputes

Arbitration, as a means of settling commercial disputes through the award of a third party is protected by Japan's Code of Civil Procedure. Arbitral awards have the same effect as judgments of a court of justice, and compulsory execution is provided for in case of nonfulfillment of awards.

In the agreements completed so far by the Japan Commercial arbitration Association (an affiliate of the Japan Chamber of Commerce), there have been two chief stipulations — a joint arbitration clause concerning the nomination of arbitrators, procedures of arbitration, etc.; and provision that panels of international arbitrators be set up, and arbitrators appointed at discretion from those of both nations concerned.

Japan's panel of arbitrators is made up of two Englishmen, 13 Frenchmen, one Dutchman, 33 Americans and 91 Japanese, drawn from various professions and trades.

Japan's Commercial Arbitration Association is currently negotiating similar agreements with the London Court of Arbitration and with several arbitration committees in Central and South American countries with which Japan does a substantial volume of trade.

ANNOUNCEMENT

R. L. GOODENOUGH

The appointment of Mr. R. L. Goodenough, C.P.A., F.C.I.S., as Comptroller of Gairdner & Company Limited is announced. Mr. Goodenough continues as Secretary of the Company.

Royal Bank Joins In World Loan To Haiti

For the first time since the International Bank for Reconstruction and Development was organized at the end of World War II, one of the Canadian chartered banks is participating directly in a "World Bank" loan.

To Haiti, the World Bank is extending a $2.6-million loan to help finance a three-year highway improvement program. The Royal Bank of Canada is participating in the loan, without the World Bank's guarantee, to the extent of $413,000. This sum represents the first three maturities which fall due from July 1, 1959, through to July 1, 1960.

This is the first loan made by the World Bank to Haiti. It is for a term of 10 years and bears interest at 4½% including the statutory 1% commission charged by the bank. Amortization begins July 1, 1959.

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MacNab Buys B-A, Bk. of Mtl. Shares, Sells Bond & Pfd.

MacNab's manager has bought 30 shares of British American Oil common at $38.75 each and 20 shares of Bank of Montreal at $50 each. The same day (May 30) he sold a $1,000 Dominion Textile Co. 4% sinking fund debenture, due 1966, at $93, and 25 4½% preferred shares of Abitibi Power & Paper Co. at $25 each. (Further details and comment on this transaction for this hypothetical investment account will be reported later.)

How Six Major Banks Compare

	Royal	Montreal	Commerce	Toronto-Dom.	Nova Scotia	Imperial
Total assets 1955	3,284	2,796	2,357	1,279	1,193	796
($ million) 1950	2,497	3,191	1,755	958	818	527
% increase 1950-55	31.5	27.6	34.3	33.5	45.8	32.0
Equity value per share	35.93	30.92	27.97	31.72	34.02	33.76
Current market price	57	50	51	42½	63½	55
% equity to market	63	61.8	54.8	74.6	53.6	61.4
Net profit 1955	10,858	8,042	7,260	3,228	3,502	2,183
($ thousand) 1950	6,560	5,943	4,015	2,453	2,298	1,158
% increase 1950-55	65.5	35.3	80.8	31.6	52.3	88.5
Net profit per share 1955	2.59 (2.15)	1.79	1.94	2.15 (1.61)	2.33 (1.95)	2.18
% earned on equity	7.21	5.79	6.94	6.78	6.85	6.46
Current dividend	2.00	1.60	1.60	1.50	2.00	1.60
% dividend/earnings	77 (93)	89	82	70 (93)	85 (193)	73
Price earnings ratio	22 (26.5)	27.9	26.3	19.8 (26.4)	27.3 (32.6)	25.2
Yield at current market	3.51%	3.20%	3.14%	3.53%	3.15%	2.90%
1956 price range	65½—56¼	56—47¼	56¼—44½	56½—42½	68½—58¾	61—54

Note: Figures in brackets are the corresponding figures under the recently increased capitalization.

LABOR AND THE LAW

Fire Foreman And Keep Worker? No, Says Board

Significant judicial, grievance and administrative decisions in the labor field are reviewed in this regular Post feature. Principles basic to industrial relations, unemployment insurance and labor law are highlighted. Here is another case:

The bottom dropped out of the company's business. Plummeting orders caused the layoff of 75% of the employees.

In the production shuffle which naturally followed the layoff, the company retained some supervisory (non-union) personnel and set them doing work previously done by production workers (union members).

This was too much for the Union (Steelworkers), It backed a test case before an arbitration board.

The union argued:

Union members were being displaced by non-unionists. This in itself, was an undesirable and questionable practice, whatever the circumstances. The collective agreement between union and company implied that supervisory workers should not do work regularly and normally done by people within the bargaining unit. Since the jobs of some of the laid-off workers had obviously not disappeared because of the production cutback, such workers should have been retained. The fact that these jobs were filled by supervisory employees did not alter the case. If the company had laid off workers, then hired men off the street to replace them, the effect would have been the same.

The company argued:

Under the collective agreement it had exclusive right to the management function, hiring and firing, etc. The layoffs were directly due to lack of work. The agreement did not stipulate who should perform work or how much each should perform. It was not uncommon for supervisory people to do some manual work.

Who was right?

The company was, said the Board:

"There is nothing in the collective agreement, either express or implied, to prohibit the company from assigning what is known as production work to foremen and shift bosses.

"... The company has the right to decide how many employees will be needed at any time and, following a layoff, to decide how many will be recalled.

"It is common for labor agreements to include clauses which define the degree to which foremen or other supervisory personnel may participate in work performed by employees within the bargaining unit. The collective agreement between these parties ... contains no such provision."

Without such specific direction from the agreement, the Board apparently felt that, naturally, with the layoff of many production workers, the need for supervisory people was also reduced.

To keep their jobs, therefore, some supervisors would have to be demoted to production workers.

These supervisors had risen through the ranks, had considerable seniority. It would seem unreasonable for them to be laid off, while the company kept on less senior employees purely because they were in the bargaining unit.

Source: Labor Arbitration Cases published for the Central Ontario Industrial Relations Institute by Cartwright & Sons, Toronto, P. 83, 31-3-56.

James S. Duncan Named Businesssman Of Year

James S. Duncan, chairman and president, Massey-Harris-Ferguson Ltd., was named "Canadian Businessman of the Year" by the 28,000-member National Sales Executive at the annual International Distribution Congress in Chicago this week. Duncan was praised for "purposeful leadership over the past 15 years."

German Fund For Dollar Investments

Uscafonds, a new investment fund, has been formed to promote German investment in Canada and the U.S. for the first time since 1914.

Two world wars, inflationary conditions and exchange controls have barred most German investors from North America for more than 40 years.

Uscafonds is first such company to be licensed by the Bank Deutscher Laender under a new ruling, which allows German nationals to purchase foreign securities.

Uscafonds will issue share certificates which will trade on German stock exchanges. They will be similar to mutual fund shares. Company will be mainly a common stock fund but may include bonds.

Certificates will be based on dollar holdings with Brown Brothers & Harriman Co. of New York, who will act as company's brokers and investment advisers.

Uscafonds shares may be purchased from the sponsors or any German banks. Company is being sponsored by 18 banks, of which 13 are German, three Swiss and one Dutch. Fund will be managed by Union Investment Gesellschaft, Frankfurt.

114 Stocks Yield Averages 4.61%

Average yield on 114 dividend-paying stocks on the Toronto Stock Exchange, as compiled by Moss, Lawson & Co., on prices of June 4, was 4.61%, unchanged from previous week.

The current yield compares with 4.39% one month ago and 4.39% in the corresponding week last year.

Here is the yield by the previous groups:

	June 4	Week Ago	Month Ago	Year Ago
	%	%	%	%
Common	4.12	4.14	3.92	4.03
Pfd. & A	4.71	4.71	4.80	4.35
Mining	6.02	5.99	5.70	5.57
Banks	3.37	3.38	3.03	3.02

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  - other types of negotiations involving only corporate interests;
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  - public arbitrations and expropriations, public inquiries and hearings in general involving both corporate and government interests,

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$600,000 New Building To Mark Jubilee

From Our Own Correspondent

WINNIPEG — The turning of the first sod for a new $600,000 research building will mark the golden jubilee anniversary of Manitoba Agricultural College.

The anniversary ceremonies will be June 21 and 22. The new building will bring under one roof the farm research branches of the college with their laboratory facilities and provide space for administrative offices. The Alumni Association has undertaken to get an additional $100,000 for equipment and furnishings, $25,000 to be raised from graduates and $75,000 from industry.

The story of the college dates back to 1901 when the annual report of the provincial department of agriculture referred to a commission appointed to report on feasibility of establishing such a college in Manitoba. At the time three fourths of the population was engaged in agriculture.

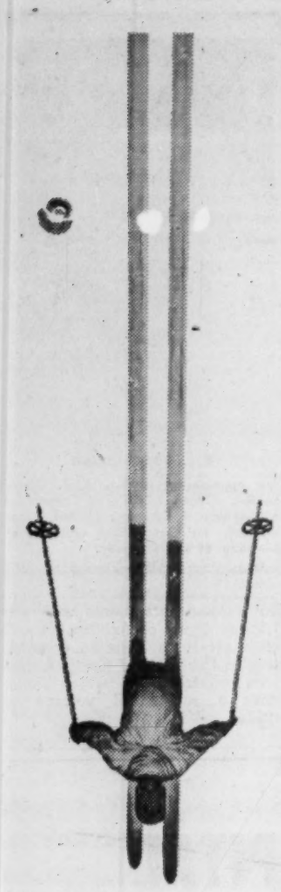
The college was formally opened Nov. 6, 1906.

In its 50 years more than 1,800 graduates have obtained degrees and diplomas. Since it became a faculty of the University which has awarded the BSA degree to its graduates, 939 have received it, including 14 women.

The biggest graduating class was 113 in 1949. The classes of 1912 and 1919 were the smallest. There were only six in each year.

Of the 10 in the first graduating class of 1911 three were in the 1914-18 war. Four have died. F. W. Crawford, the first to get a degree is now a Winnipeg alderman and chairman of the city finance committee. Dr. T. J. Harrison is director of the Barley Improvement Institute at Winnipeg. M. M. Tinline, former superintendent of the Brandon Experimental Farm, is retired.

DONNELL & MUDGE LTD. new common stock was called for trading on June 1, when old stock was removed. Company split stock on a 20-for-1 basis and increased authorized capital by creation of an additional 4,180,000 shares. Authorized capital is now 6 million common shares, no par, of which 1,313,000 are issued and outstanding.



all this and summer, too!..

Via Qantas you can take to the hills for winter sports in July (New Zealand Alps) as well as in January (Swiss Alps) or enjoy Alpine *summers*, vice-versa. People who are extremely fond of mountains may find that some of each—on the same trip—is a stimulating experience and, while they are at it, *go around the world*. Ask your travel agent about this or other Qantas Super Constellation flights across the world to five continents.

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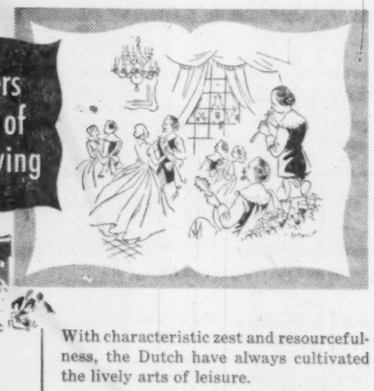

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POST TRAVEL BUREAU

Where to go - how to go - where to stay

Sea, Sun, Summits Are New Zealand's Vacation Delights

By B. W. RIDDELL

For the outdoorsman, New Zealand is the ideal holiday choice.

Never far from an ocean coast (widest point is 280 miles), the visitor can always find superb beaches and sun bathing. World-famous fishermen claim that New Zealand offers the best deep-sea fishing off her shores and the best fresh-water trout and salmon angling in her inland lakes and streams.

Expert skiers schuss down the mountain slopes close to active volcanoes and mountain climbers, hunters and yachtsmen have a hey-day in this South Pacific sportsman's paradise.

Naturalists, too, are delighted by the country's fauna and flora. Rare and beautiful birds frequently seen include the parakeet, long-tailed cuckoo, kingfisher, woodhen, kaka, and pukeko.

The most famous New Zealand bird is the kiwi (the country's emblem, incidentally) which never flies. It is particularly noted for its ability to lay an egg almost equal to its own weight.

There are a number of interesting animals including the tuatara—a prehistoric reptile and only survivor of the dinosaur age. But there are no dangerous animals and no snakes.

New Zealand flowers and trees are fabulous. The houhere (lacebark), the kowhai shrub covered with yellow flowers and growing to a height of 40 ft., the kaka's beak — dainty and scarlet — the climbing clematis and the red rata are some of the particularly beautiful varieties. The pohutukawa, New Zealand Christmas tree, is covered with red flowers during late December and early January.

For the sightseer in search of natural oddities, there are geysers, boiling mud pools, volcanoes (active and inactive) and limestone caverns. For the amateur explorer there are still areas in South Island marked "Unexplored" on the most up-to-date maps.

And for those looking for sheer beauty there are magnificent mountains, countless waterfalls, glaciers that tumble down to subtropical forests, lakes, Norwegian-like fiords, brooding desertland and rolling green hills. There is just about every type of scenery found around the world.

The Maoris

One of the most interesting features of New Zealand is its native race — the Maoris. Early inhabitants of the islands, they came in canoes from Polynesia in the 14th century. They are tall, well built and handsome. Musical and artistic they sing and dance beautifully and their exquisite carvings, colorful costumes, romantic legends and proud dignity contribute greatly to the culture of the country.

Consisting of two main islands and a number of smaller ones New Zealand comprises about 103,410 sq. miles. Its population is approximately two million — 90% English or Irish and about 6% Maori.

Although a very young country, it has been a world leader in social legislation. And yet it is surprisingly conservative. The vast majority of her people are staunchly loyal to Britain and even second or third generation New Zealanders refer to England as "home." They proudly call themselves "more English than the English."

Because of New Zealand's rare beauty, mild, even climate and natural facilities for every type of outdoor sport, one of her greatest potential industries is tourism. And air travel is making this more and more attractive to dollar-bearing North Americans. It takes approximately 36 hrs. to fly to Auckland from Vancouver or San Francisco via Honolulu and Fiji Islands. Canadian Pacific Airlines and Pan American World Airways are two of the air lines that fly this route.

Fares are $1,127 first class or $900 tourist, return. By ship it takes 17 to 31 days by Orient Line, Oceanic Steamships or Union Steam Ship Co. of New Zealand. One-way fares range from approximately $360 to $525.

Travel within New Zealand is usually good. Some trips are best made by air (New Zealand National Airways Corp.), others may be undertaken by car over good roads. Car rentals (British and American) cost from $30 to $35 weekly, plus gas and a charge of eight to 11c per mile over 250 miles. Warning: New Zealanders drive on the left side of the road.

Hotels generally emphasize cleanliness and good food rather than luxury. They are almost invariably good and extremely comfortable. Some delightful lodges in the fishing and skiing areas provide excellent accommodation for sportsmen. Hotel and lodge prices range from $5 to $10, American Plan.

Auckland, on the northwest coast of North Island is the country's largest city. A thriving port it is located on two huge bodies of water — the Pacific Ocean and the Tasman Sea. In or around the city there are 31 parks or reserves and 65 extinct volcanoes. There are magnificent views and a visitor should spend some time driving in the city and its environs.

Two delightful islands — Waiheke and Kawau — are in the Hauraki Gulf a short distance away by ferry. Helensville, 40 miles north of the city, famous for its hot springs, and the Waitomo Caves, 127 miles from Auckland are favorite tourist stops.

Rotorva, about an hour by air from Auckland, is the centre of one of the most exciting districts in New Zealand. Boiling mud baths, spouting geysers, alkaline and sulphuric waters, semiactive volcanoes, a lake full of boiling water (Lake Tarawera) and a buried village (Te Wairoa) are a few of the many things to see.

Close to Rotorva is Whakarewarewa, a colorful Maori village. Here natives live in charming, carved, thatched huts. From September to April, Maori concerts are performed and are well worth hearing.

Visit Wellington

Wellington, the capital, is about two hours by air from Auckland at the southern tip of North Island. It is a beautiful city set in a lovely harbor. Visit the National Art Museum, Katherine Mansfield Park and the Botanical Gardens.

It is in South Island that New Zealand's most spectacular scenery is found. Here stands Mount Cook (12,000 ft.) perpetually glaciated and with great streamers of ice reaching almost to the sea.

The Southern Alps consist of a long chain of jagged-peaked mountains beneath which nestle dozens of beautiful lakes. By the coast may be seen the weird Pancakes — rounded wafers of limestone, piled on top of each other with caves carved under them by the Tasman Sea. At Milford Sound lies one of the most beautiful of the many fiords. It cuts deep inland and is surrounded by mighty peaks, huge waterfalls and bays.

Milford Sound is the destination of a three-day walk along Milford Track, called "the finest walk in the world." The hike is fairly rugged, but it's worth a week of stiff muscles afterward. Along the way there are so many waterfalls that only a few have been named. Sometimes you can see as many as ten at once, and seldom are there fewer than four visible. The most famous, and one of the world's most beautiful, is Sutherland Falls, which plunges nearly 2,000 ft. into a quiet glen.

Other wonders include sheer cliffs and mountains, tiny mountain lakes, a balanced boulder bigger than a cathedral and a valley walled in by great granite cliffs. Comfortable overnight accommodation is provided along the way and at the end of the walk there is a short launch trip down Milford Sound to the delightful Milford Hotel.

Trips to Glaciers

Exciting trips may be made to the magnificent Franz Josef and Fox glaciers on the West Coast. The blue Tasman Sea glistens on one side, and mountains tower high on the other.

There are endless opportunities for excellent fishing in New Zealand. Bay of Islands, close to the northern tip of North Island and the romantically named Bay of Plenty midway down the east coast of North Island, are world famous for deep-sea fishing. The season runs from mid-November through May, reaching its peak in February and March.

Bay of Islands has good accommodation at Urupukupuku Island and the town of Russell. Mayor Island, in the Bay of Plenty has primitive, but reasonably comfortable accommodation.

Rotorua, Tongariro, and Taupo fishing districts in North Island are famous for monster and rainbow trout. Many streams feed the 25-mile long Lake Taupo from all sides. A number of delightful lodges in the area cater to the fisherman's special needs.

South Island is ideal for Quinnat salmon and brown trout. In the Canterbury area (between Christchurch and Timaru) the best dry-fly fishing is found — Selwyn, Rakaia, Rangitata and Waihoa Rivers are particularly outstanding. Atlantic salmon are in the Waiau River and Lake Te Anau at the southern tip of the island while Quinnat salmon abound near the mouth of the Waitaki. Hotels and fishing lodges are found everywhere.

Skiing in New Zealand reaches its peak in July, August and September — winter south of the equator. And some of it is the world's finest.

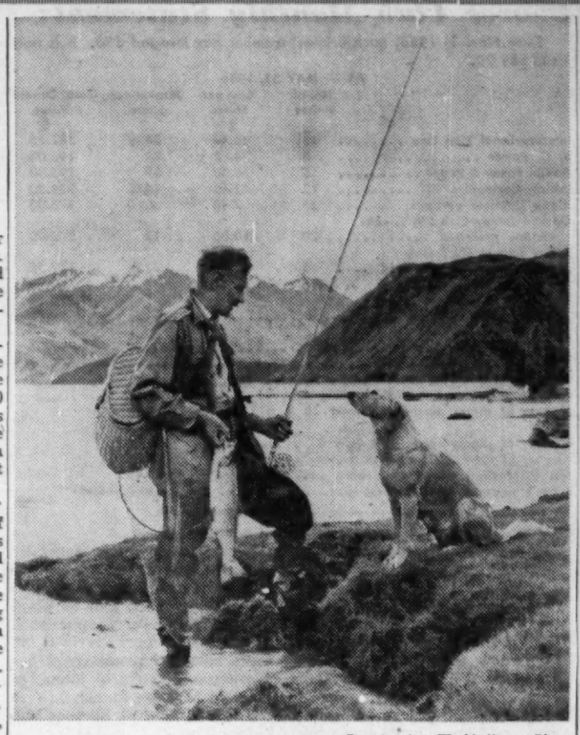
The country boasts three major ski regions, one on North Island, two on South Island. They all have instructors, modern tows and boots and skis for hire. Mt. Ruapehu in North Island's Tongariro National Park has superb accommodation. Chateau Tongariro is one of the few de luxe hotels in the country. Chair lift, "T" bar and rope tows carry skiers up to the beginning of many fine downhill runs — some of them four miles long. At the top of Mt. Ruapehu there is a lake warmed by volcanic steam vents where skiers can swim surrounded by snowy banks.

Mt. Cook, in South Island's Southern Alps is a favorite skiers haunt. Here one can speed down the 18-mile long Tasman Glacier and other extended downhill runs. The Government Tourist Bureau's Hotel Hermitage is excellent.

Coronet Peak, eight miles from Queenstown and south of Mt. Cook does not have as fine accommodations, but its skiing is very good.

Seaside resorts are popular anywhere and New Zealand is no exception. Some of the world's finest beaches are found on both islands. At the northern tip of North Island, there is one that is 60 miles long (New Zealanders call it Ninety Mile Beach). There is a delightful resort at Napier on the east coast of North Island and there are lovely beaches at Auckland.

The Canadian tourist receives a warm welcome in this sister Commonwealth country. The New Zealander, although reserved, is extremely friendly and loves to yarn (chat) over tea (a ritual mid-morning and mid-afternoon). Food is delicious (particularly seafood) and the climate permits Canadian spring and summer clothing to be worn at any time of the year.



Pan American World Airways Photo

Lakes and streams in New Zealand are alive with trout, and the coastal waters contain record-breaking marlin. Skiing, climbing and swimming are also favorite sports. Pleasant climate, magnificent mountain and subtropical scenery lure visitors to this South Pacific playground.

INTERNATIONAL PAPER CO — between Feb. 24 and May 21, options on 68,166 shares were exercised under company's incentive stock option plan and 3,269 shares issued in payment of stock dividends. Now 10,963,414 common shares outstanding.

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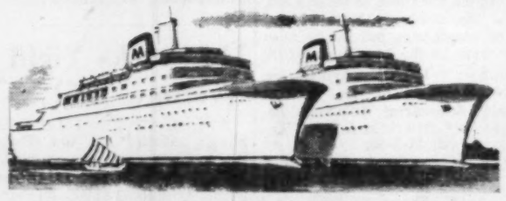

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ANNOUNCEMENT

MARTIN SALES MANAGER

ALEX G. BROWN

Announcement of the appointment of Alex G. Brown as Sales Manager is made by Martin Paper Products (B. C.) Ltd., New Westminster, effective immediately. A graduate of the University of Toronto, Mr. Brown has been Sales Manager of the Winnipeg Division of Martin, and prior to that was associated with Gurney-Dominion Furnaces Ltd., in Toronto.

More Top Executives Flying —But Not In The Same Plane

By JOHN MACLEAN

Executive flying in the company plane is getting to be commonplace in Canada but more and more companies are making sure the top brass don't fly together.

Reason: While the accident rate is as low or lower than the commercial accident rate, there's no point in allowing a situation which could wipe out the firm's top management at one crash.

Canadian presidents remember:

- The 1949 CPAirlines disaster near Quebec City. A homemade time bomb led to the death of 21 persons, including the president, president-to-be and senior vice-president of Kennecott Copper.
- The 1955 Ontario Hydro plane crash which killed chairman Robert Saunders.
- The crash May 15 in the U.S. of a Crane Co. plane. Top sales ranks were decimated when six senior men including two vice-presidents were killed.

This week, Imperial Oil joined the list of Canadian companies which see that a reasonable share of management keeps a literal foot on the ground, or at least travels in another plane.

- **One Firm Lost Highest Brass In One Crash**
- **A Crash Killed Ontario Hydro's Saunders At Key Time**
- **Don't Take Chances With Your Best Men**

A Financial Post glance at some Canadian companies owning their own aircraft:

Algoma: No rules. Five aircraft including two DC-3s. Will fly more than 1,600 hours total this year. So far no accidents. Flat $20,000 per passenger insurance.

Avro: Must split up executives (i.e., not more than two of five vice-presidents in the company DC-3). About 100,000 miles flown annually. No accidents.

B-A Oil: Executives must split. For example, president may take couple of vice-presidents and couple of directors but not most of either group. Two aircraft available fly about 200,000 miles annually. No accidents. Insurance: $50,000 per passenger.

A packing company: Split. Not more than three executives of 15 on a special plane may fly together in the company Lockheed Lodestar. Neither can president and executive vice-president. About 75,000 miles annually flown. No accidents. Insurance: $50,000 per passenger.

Ford: Unofficial split policy "pretty well abandoned." DC-3 flies nearly 100,000 miles annually. No accidents. Insurance: $50,000 per seat.

Goodyear: No rules and senior executives unconcerned. "Extreme" care used in flight planning and flying. DC-3 flies about 60,000 miles a year.

Ontario Hydro: No aircraft since crash killed Chairman Saunders. Five helicopters (hold three) used for 108,000 miles of line patrol last year. No accidents. Flat $20,000 per passenger.

Imperial Oil: Rough 50-50 split must be observed. Seven aircraft traveled more than 2,000,000 miles last year. No accidents. Company has group aviation insurance available, pays first $15,000 and one-third of next $35,000 for president or office boy for company or commercial airline travel on company business.

Massey-Harris: No rules, not considering any. Three aircraft available travel about 300,000 miles annually. No accidents. Insurance per seat: $50,000.

McNamara Construction: No official split but on few times several of top management travel together an unofficial 50% split is the rule. Two aircraft flew slightly more than 2,000,000 miles last year. No accidents. Executives insured from $10,000 to $100,000 depending on rank.

Ontario Paper: Split policy not always adhered to. Two aircraft fly about 100,000 miles a year. No accidents. Insurance: $40,000 per seat plus $20,000-$80,000 depending on individual's rank.

Shell: Unofficial split always observed. Five aircraft flew 580,000 miles last year. No accidents. Insurance: $50,000 per seat.

Companies in Canada don't use aircraft as much as firms in the U. S., but the number is growing. Latest estimate: 240 in Canada; 21,500 in U. S.

(Chicago Tribune's Convair carries on its fuselage the flags of 80 countries in which it has landed with executives and reporters.)

The Advantages

Advantages of company aircraft apart from speed:

—Convenience. It waits for you, not you for it.

—Comfort. No bother about reservations and airport waiting.

—Direct routing. In the U. S. company planes use 6,000 airports; commercial lines serve 500.

—Executive leisure. According to a Canadian construction executive: "Our company aircraft allows the executives more time at home with their families. For senior men, that's an important fringe benefit."

As a sales aid and prestige item, a company aircraft is rated highly. Last year a U. S. company closed a $5,000,000 deal by flying a prospective customer's engineers to a firsthand look at its product.

Executive planes vary from single-engined to four-engined aircraft.

Most of them have their interiors equipped for executive use: large tables, typewriters, tape recorders, bed-sofas, even television.

So many Canadian companies are now using planes that a separate section has been established by the Air Industries and Transport Association of Canada to represent them.

Calgary Leads Way

Hal Keefe of Mannix Construction, Calgary, is chairman of the Corporation Aircraft Owners Committee of the AITA. Calgary, by the way, probably has more company-owned planes than any other Canadian city.

Cost of operating aircraft varies. Some prices:

—DC-3, $187 per hour.
—Beech 18S, $85.
—De Havilland Beaver, $30.
—Cessna 180, $20.

Cost includes fuel, maintenance, hangaring, crew, landing fees and other items.

Corporation pilots who have about the same qualifications and experience as commercial airline pilots are paid about $800 a month; co-pilots and flight engineers about $500.

Companies operating their own aircraft can apply tax reductions as for cars. Depreciation rate is high; Revenue department allows 40% a year on a declining balance system.

It's Time To Take Long Look At Canada's Toll Road Plans

By GORDON L. SMITH

Provincial authorities in Canada have approached the toll roads business with caution. In the U. S., those most concerned are now taking a second and more careful look.

Some of the American roads are not earning nearly as much as was anticipated and many of the older and, at first extremely profitable lines, are experiencing a substantial decrease in revenue.

The whole toll road business in the U. S. is in what a New York Times writer terms the "disillusionment phase." And a Christian Science Monitor editor goes further. He suggests that as far as long-range travel is concerned toll roads are a failure.

Trucks are tending more and more to take to the free roads, using the toll highways for short stretches through tough country or where traffic is extremely heavy.

This is contrary to earlier trends and anticipations. In an attempt to get this profitable business back the Pennsylvania Turnpike has announced that truck tolls are to be cut 20% but at the same time it proposes to hoist passenger car rates by over 40%.

It is now pretty well agreed among U. S. observers that toll roads are only justified economically where population is dense and big manufacturing centres close together, as in the areas within a few hundred miles of New York City, and that is where the bulk of them are located.

Only recently have they begun to reach westward toward the Mississippi. There are none in the west, south and north.

There are very few areas in Canada yet where population density and highway truck traffic would approach that of the relatively small section of the United States where the most profitable toll roads are located.

In the meantime it won't do us any harm and it might save us a lot of money and headaches if we simply watch this costly U. S. experiment a little longer.

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ANNOUNCEMENT

IMPERIAL BANK OF CANADA EXECUTIVE CHANGES

R. S. WALDIE, B.A., LL.B. — L. S. MACKERSY, M.C. — J. S. PROCTOR — E. J. FRIESEN

Imperial Bank of Canada announces that at a recent meeting of the Board of Directors Mr. R. S. Waldie resigned as Chairman of the Board and was subsequently elected Honorary President and continues as a Director of the Bank.

Mr. L. S. Mackersy, previously President has succeeded Mr. Waldie as Chairman of the Board. Mr. Mackersy will remain as Chief Executive Officer of the Bank.

Mr. J. S. Proctor, previously Vice-President and General Manager succeeds Mr. Mackersy as President.

Mr. E. J. Friesen, formerly Senior Assistant General Manager, was appointed General Manager of the Bank succeeding Mr. Proctor.

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BELLEVILLE ONTARIO

'Back To School' Go Jeep Dealers

OTTAWA (Staff) — "Graduation" ceremonies were held here for 75 motor vehicle salesmen following a three-day training course in the use of Jeeps.

The "students" included five distributors and 70 dealers of Willys of Canada Ltd., drawn from Ontario, Quebec and the Maritimes. A similar training school is to be held in Western Canada later this summer.

The dealers and their salesmen were required to pass written examinations, following training in operation of 10 different types of Jeep four-wheel drive vehicles, and 50 pieces of auxiliary equipment. The campus was a hilly farm east of Ottawa.

Concrete Bridge Sets Eight-Hour Record

A 130-ft. pre-stressed concrete footbridge over one of Toronto's busy thoroughfares has been erected in eight hours.

Designed for use of the Canadian National Institute for the Blind over Bayview Avenue, it's erection was carefully planned to minimize traffic hold-up.

The two 62-ft. spans, each a 10-ton pre-cast and pre-stressed unit, left the Scarborough factory of Toronto Cast Stone Co. at 7 a.m. Installation started after morning peak traffic and the bridge was complete by 3 p.m.

The angular spans are the longest of their type made in Metro Toronto, and a police escort accompanied them as they were towed across the city.

Toronto Cast Stone state that the spans were installed in little more than three weeks after the order was placed.

CANADIAN BREWERIES LTD. between April 25 and May 28 converted 9,759, $1.25 cumulative convertible preferred shares into same number of common shares. Now 3,052,514 common shares outstanding.

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- FAMILY STEAMER CRUISES
- HOW TO SEE THE SEAWAY
- GAME BIRD SHOOTING ACROSS CANADA
- THANKSGIVING HERITAGE TOURS
- SECRETS OF LOW-COST FAMILY TRAVEL
- HOW TO SPEND YOUR WINTER HOLIDAY

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6.8% of the women readers of Canadian Homes and Gardens went HUNTING in the past 12 months

45.6% of the men readers
25.8% of the women readers of Canadian Homes and Gardens went FISHING in the past 12 months

25.5% of CH&G non-farm households earn $5,000 and over

73.5% earn $3,000 and over

Last year, 88,000 Canadians spent $80,000,000 on overseas travel alone, and in 1956, Canadians will spend over $740,000,000 on travel, of which more than half will be spent outside Canada.

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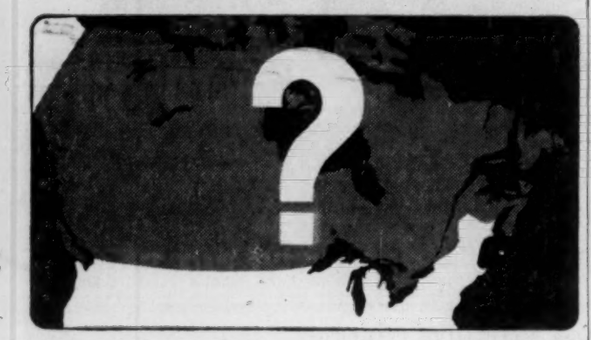

SPECIAL REPORT
By PETER C. NEWMAN

Who REALLY owns Canada?

Other countries own most of our big industries. Do they own Canada too?

TV's most baffling success

HOLIDAY RANCH

By DOROTHY SANGSTER

Here is the secret behind the success of Canada's most popular TV show.

"FOR THE SAKE OF ARGUMENT"

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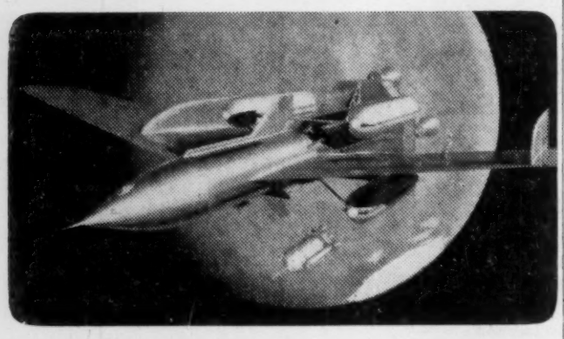

How MAN will conquer MARS

By WILLY LEY AND WERTHER VON BRAUN

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B.C. Lumbermen Woo Buyers Overseas

Sales Tougher; 'We Must Make Love,' Says H. R. MacMillan

From Our Own Correspondent

VANCOUVER — British Columbia lumber operators are playing a familiar role again this summer — wooing overseas customers, particularly in the U. K.

In recent years the lumbermen of the West Coast have not been particularly ardent; they haven't needed to be. But this year it's different.

H. R. MacMillan, founder of MacMillan & Bloedel and the area's outstanding lumberman, expressed the situation effectively when he declared a few days ago:

"We must make love to our customers all the year round. We must satisfy them with the exact grade they want and maintain that grade."

What brought Mr. MacMillan to make this statement was the revelation that after 15 years of boom, during which it was easy to find a sale for all the lumber that could be produced, the market has become a little tighter and the profit margin is narrowing. The trade is becoming more selective, and for that reason there will be more and more emphasis on promotion and sales, especially overseas.

Mr. MacMillan was one of the first to see the opportunities in export trade in lumber. When he was B. C.'s chief forester, back in 1916, the Provincial Government sent him on a world tour to explore the possibility of extending the sale of British Columbia lumber.

Enthusiastic Report

Mr. MacMillan returned with enthusiasm and wrote an enthusiastic report, which was promptly pigeonholed. But Mr. MacMillan was so convinced by what he had seen that he resigned from his comfortable job in government service and entered the industry.

A year later his firm H. R. MacMillan Export Co. was developing overseas connections—and the rest belongs to the colorful history of B. C.'s forest industry.

Mr. MacMillan, of course, was not the only one who pioneered the overseas markets for B. C. lumber. Some of the others were Henry Mackin, now a member of the board, Crown Zellerbach Corp., who helped develop Canadian Western Lumber Co.'s huge sawmill operation at Fraser Mills; J. G. Robson, who recently retired as president of Timberland Lumber Co. after selling out to Canadian Collieries; the late J. H. McDonald, of B. C. Manufacturing Co., now a Powell River Co. subsidiary.

Before these people had gone afield for sales B. C. mills had been forced to depend on the crumbs left from the lavish tables of the lumber barons of Washington, Oregon and California. San Francisco was the centre of the offshore trade in lumber, and the city by the Golden Gate dictated the extent of the orders for B. C. and the price to be paid for them.

To men of independent spirit such as MacMillan, Mackin, Robson and the others this wasn't satisfactory and they set out to remedy things — MacMillan with his own company, some of the others with their Seaboard Lumber Sales. These two organizations are today the biggest in their field, doing business wherever lumber is sold.

B. C. On Top

An indication of how the whole export situation has been revolutionized since the days when dominance reposed in the U. S. mills is the fact that so far this year the overseas exports of lumber made by B. C. amount to more than 237 million board ft., compared with barely 104 million board ft., by Washington, Oregon and California combined.

A few years ago — until the boom in lumber made it unnecessary — the B. C. industry used to send missionary expeditions not only to the U. K., but to Australia, New Zealand and South Africa, and this was especially the case during the years when the U. S. restricted purchase of Canadian lumber through high tariffs and when the Empire Preference made it possible for B. C. to do more business on advantageous terms with countries within the Commonwealth.

The need for another intensive campaign impressed itself on the industry several weeks ago, when a group of trained lumber and plywood experts was sent abroad.

These men, members of the staff of the B. C. Lumber Manufacturers Association, are not primarily on the sales firing line; their job is educational and they are spending most of their time demonstrating the uses of West Coast lumber and plywood to architects and builders and other users of construction material.

The general feeling among lumbermen on the coast is that the present lull in the U. S. demand is only temporary and that conditions will be substantially improved later this year.

One of the reasons for the present situation is the fact that some months ago Britain purchased large quantities of lumber not only from this area but from Scandinavia and Finland and stockpiled it as a strategic reserve, and this has now been released.

U. K. Stockpile

Most of the lumber exporters here realized that when they were selling heavily to the U. K. for its stockpile they would eventually feel the result of this policy, because it was obvious that purchases would not continue indefinitely on that basis.

Lumber isn't like gold that can be cached away indefinitely. It has to be used within a reasonable time or suffer some deterioration.

British consumers of lumber complained of the policy pointing out that they were dissatisfied with being doled out from time to time lumber that had already been held in stock for a considerable period until it showed signs of deterioration, as a result of exposure and storage.

This lumber still carried the shipping mark, which could be misleading to a builder or other user, and since it was inferior it obviously didn't help develop or maintain goodwill.

A part of the present campaign overseas, then, is to overcome any disadvantage that the strategic stockpile policy may have created. A basis is being laid for the acceptance of B. C. lumber on a larger scale, even though sales overseas may not pick up until the fall.

Some progress may be expected with the timber frame house, though this may be a long, uphill battle in view of present bylaws and building regulations which do not recognize the fire-resistant qualities of treated lumber.

In the present period of overseas sales recession it is fortunate that B. C. is able to sell so much lumber in the Canadian market as well as to the U. S., which continues to be a heavy buyer.

Total lumber production in the province last year was 4.8 billion board ft., 10% higher than in 1954 and a significant development was the rising output of sawmills in the interior, which are now almost challenging the dominance of the coastal plants, now so thoroughly integrated with the pulp and paper industry.

Nearly 600 million board ft. of the coastal mills' total production last year was sold right in B. C., reflecting the continued fast pace of construction in this province.

Canada as a whole absorbed 765 million board ft. and the U. S. 966 million board ft. The U. S. bought more lumber from B. C. than the whole of the British Commonwealth, a striking fact when it is considered that as recently as 1946 the Commonwealth bought three times as much lumber from B. C. as did the U. S. Just before the war the U. K. alone accounted for nearly a billion ft. of B. C.'s lumber sales.

Nevertheless, despite the recent decline in overseas shipments compared with the over-all trade in B. C. lumber, the industry treasures the United Kingdom and other Commonwealth markets because, over the years, they have been the mainstay of the export trade.

Only since the emergence of the sterling problem has there been the element of uncertainty in Commonwealth business that used to harass the lumbermen here in their dealings with tariff-conscious U. S.

Simple economies have forced the lumber industry to revise its whole pattern of operation in recent years. If it hadn't yielded to this pressure it would be in a sorry state today, because for several years it has been caught in a price-cost squeeze.

World competition has made it necessary for B. C.'s forest products to hold prices reasonably in line, but there has been no appreciable check on rising labor wages and other cost items such as the price of equipment and raw materials and transportation.

To meet this situation successfully most of the larger sawmills are now operated in conjunction with pulp and paper mills. Few indeed are the major mills which depend entirely on lumber as their source of income.

Even if the companies that own them haven't a pulp mill of their own, they have equipped their sawmills with chipping plants to produce raw material for the pulp mills from slabs, edgings and other debris that under the old system would have been burned or otherwise lost to industry.

This procedure has accomplished two big things:

1. Eliminated or greatly reduced waste in sawmill operation.

2. Added a new and important source of revenue.

"Our industry in a very few years was able to convert this area from one of the most wasteful centres of sawmill production into one of the highest utilization centres anywhere in the world," remarked a leading Vancouver lumberman recently. "Most of the efforts and money put into this objective were successful from an over-all point of view, namely, to put to better use our forest resources and to eliminate waste.

"The industry also recognized that our mills had to be partly changed over to properly manufacture species other than Douglas fir.

"Since the percentage of mature Douglas fir left in our coast forests constitutes only about 12 per cent of the total forest inventory, it has become essential to make much more effectual use of our other species, such as hemlock and balsam, which are suitable for pulp manufacture."

Toronto To Tune In To The Sun

Toronto is going to "tune in" to 40-in. waves from the sun with a radio telescope to be put up at Richmond Hill this summer.

Initiated at the University of Toronto's David Dunlap Observatory and financed by the National Research Council, it will contribute to the 1957-1958 International Geophysical Year study of solar and terrestrial phenomena.

After the solar research has begun, a radio telescope will be used to explore the strength of radio signals from stars.

Dr. Donald A. MacRae, of the University of Toronto's astronomy department, and Dr. George Sinclair, of the department of electrical engineering, are directing the project.

B. C. Telephone Issue Approved

B. C. Telephone Co. common shareholders at a special general meeting in Vancouver have approved issue of 75,000 cumulative preferred shares, $100 par.

New $7.5 million issue will provide additional funds for company's expansion and improvement program (FP, May 19).

Issue will increase outstanding capital to $56.5 million. Authorized capital is $75 million.

CITY OF WELLAND, Ont., new issue of $392,500 3¾% and 4% 1-to-20 year debenture issue has been sold to a syndicate comprised of Bankers Bond Corp. and J. L. Graham & Co., Toronto. City will use proceeds for hydro-electric purposes, local improvements and a new fire hall.

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GETTING THINGS DONE

These days it goes without saying that an aircraft plant must be well equipped to stay in business. The competitive nature of the industry as well as the complexity of the finished product make first-rate facilities an essential factor in its success. Where companies do differ is in the *way* their equipment is used—how they get on with the job—the planning and thinking they do before the wheels are turned.

At Canadair such thinking is reflected in rigid cost control, production planning, schedule controlling, engineering imagination, standards set for close tolerance work and, of course, the broad band of supervision which, from top to bottom of the organization, "gets things done".

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ANNOUNCEMENT

DENIS J. O'LEARY

H. J. Rosser, Advertising Manager of Canadian Homes and Gardens, announces the appointment of Denis J. O'Leary as Assistant Advertising Manager. Mr. O'Leary has been with Maclean-Hunter for two years. A native Torontonian, Mr. O'Leary graduated from the University of Toronto with a B.A. degree, and served with the RCAF as a wireless air-gunner.

N. E. Ontario Looks to Gas

New Fuel Spells New Industry, People

No area waits more eagerly for the arrival of the transCanada pipeline with its industry-boosting supplies of natural gas than northeastern Ontario.

In that thriving region of more than 50 bustling municipalities lie some of Canada's most valuable natural resources. They are already being developed at an impressive pace but the advent of natural gas could spell a tremendous speed-up in that development with the establishment of new industries and a badly needed influx of population.

"With this great source of fuel and power," states W. H. C. Marsh, general manager of Northeastern Ontario Development Association, "we will be able further to process many of the raw materials found in our vast countryside.

"The greatest need of this region is population. If we promote the development and processing of our natural resources, we will create new jobs and new wealth which will encourage an influx of people."

Industrial development during the past two years has been outstanding in this region of 105,000 sq. miles which takes in the districts of Algoma, Manitoulin, Sudbury, Nipissing, Temiskaming and Cochrane. Projects with a value of almost $50 million have been undertaken in North Bay, Sturgeon Falls, Copper Cliff, Cutler and Sault Ste. Marie, and will mean hundreds of new jobs.

Mr. Marsh has been spending most of his time in fact-finding travel through the area, and here is his report on new developments:

North Bay

The Du Pont explosives plant will be competing for the market throughout Canada's mining industry. Canadian Johns-Manville Co. is building a plant which will not only employ residents in urban municipalities but also many bushworkers.

Sturgeon Falls

Abitibi Power & Paper Co. is adding a new $3-million plant to its present operation. This will mean an additional 75 employees plus many more in bush and trucking operations.

Copper Cliff

Recent development by International Nickel Co. of its iron processing plant means many new jobs for the Sudbury area.

Blind River

Noranda is building a sulphuric acid plant which will supply material for uranium milling.

Thessalon

Sole source of employment was formerly a lumber mill. Now the townspeople have raised 49% of the capital required to build a modern plant to construct 1,000 prefabricated houses a year.

Sault Ste. Marie

Over the last few years, population has grown to 36,000. It now boasts the addition of the $20-million Mannisman seamless steel tubing plant, adjacent to Algoma Steel mill. There are also new lumber and plywood operations.

Elliot Lake

Here, 22 miles north of Highway 17, a townsite is being cut from virgin forest. Designed by the provincial Department of Planning and Development, it will soon be the home of many of the 4,000 uranium miners in the area, and within a year or two will have from 10,000 to 12,000 inhabitants.

Many new mining developments are pending in the district. Pointers to these are the copper deposits recently found in the Temagami area, the Boston Creek iron ore deposits in the Kirkland Lake area, and the iron ore deposits recently located north of Kapuskasing and held by Steel Co. of Canada.

There are also large beds of gypsum and high-grade clay in the area north of Cochrane. In due course, it will become economical to open up these deposits. Recent reports mention a search for oil in the James Bay area.

Northern Ontario at present produces some 600,000 tons of paper and 300,000 tons of pulp annually. It also supplies millions of board feet of lumber to the building industry.

The Northeastern Ontario Development Association is one of the most successful results of the regional economic development program launched by the Trade and Industry Branch of the Planning and Development Department of the provincial government in co-operation with local area representatives. Under the scheme, the province is divided into nine regions, and organizational progress in northeastern Ontario has been fast.

Within this area a group of 40 municipalities have joined together to form an association working on a partnership basis with the provincial government to promote the economic development of the region.

The association is financed in part by the member municipalities and in part by the province. On the basis of a five-cent per-capita assessment with the majority of municipalities in the area participating, the members may contribute between $10,000 and $15,000 per year. The province pays a flat sum of $10,000 per year.

The policy of the association is to promote the economic development of the region. In doing this, it concentrates upon industrial development with emphasis upon ways and means of promoting further processing of natural resources within the area, and the encouragement of manufacturing industries to the region to supply the needs of primary industry.

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M. P. McBAIN

secretary-treasurer, Kellogg Co. of Canada has been elected president Society of Industrial and Cost Accountants of Ontario.

Quebec Cement Plans To Increase Production

Quebec Cement Inc., St. Basile, Que., is going ahead gradually with its expansion program. President Ernest J. Papillon told the annual meeting that the plan was to increase daily output eventually from 8,500 bags to 21,000 bags. Gross profits of the company in the fiscal year were $307,562. After ordinary charges and reserves of $3,287 for income tax and $187,570 for depreciation, net profit was $43,669.

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You Only Drink 4% Of Daily Coffee At Work

Canadians are drinking twice as much coffee as in 1939—but it is only half the amount being drunk in the U. S.

Here are figures for 1955's green coffee consumption per head: U. S. 15.3 lb., Canada 7 lb., West Germany 5 lb., Italy 3.5 lb. They are taken from the Pan-American Coffee Bureau's 1955 annual survey issued recently.

Canada's coffee imports cost $57 million last year. Due to the drop in prices this bought 8.8% more coffee than the $64 million paid for imports in 1954. Average prices per pound of green coffee were 55c in 1955 and 67c in 1954.

Bulk of the imports came from Brazil and Colombia, which accounted for 68.9%. Mexico provided 4.6% and other countries lower proportions.

A recent Toronto survey of coffee drinking habits showed a daily average of 2.06 cups for people over 10 years old. About 42% of the coffee was drunk at breakfast and 33.5% between meals. Only 4% was drunk at work and 12.3% at eating places.

North Star Oil Offers Rights

North Star Oil Co., Winnipeg, is offering shareholders right to purchase two additional common shares at $12.50 each for every five Class A or common shares held.

Offering of 900,000 additional common shares will increase common shares outstanding to 1.5 million from 600,000.

Company recommends that warrant holders exercise rights before June 18. Record date will be some time after June 18.

Company's auditors say that, on the basis of material later made available, it would be better to describe liabilities as including $6,311,000 notes payable on demand, of which $1.6 millions is secured by a first mortgage bond on Manitoba properties; and $10 million notes, repayable at $400,000 annually May 1, 1958-64 inclusive, balance due May 1, 1965, secured by a first mortgage bond on Manitoba properties.

Annual report described this $16,311,000 amount as consisting of $11.6 million first mortgage bonds, secured upon Manitoba properties, payable on demand; and $4,711,000 notes payable on demand.

Wood Pulp Output Consumption Up

MONTREAL (Staff) — Canadian wood pulp production in April at 842,596 tons (825,820 a year ago), was up 2%. Production for the first four months of this year was 5% higher (3,420,093 tons vs. 3,239,740 tons).

Chemical pulp output for the first four months was 114,269 tons higher at 1,542,822 tons, mechanical pulp up 66,030 tons at 1,844,618 tons.

While exports dropped during April (187,576 vs. 215,004), volume in the first four months totaled 766,492 tons, 20,877 more than a year ago.

Canadian consumption of pulp in April moved higher to 650,371 tons (631,074 tons) bringing the four - month total to 2,686,745 (2,461,036).

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"Fuller Brush Company heartily endorses its Credit Union which has taught many of its employees to save money and has, at the same time, enabled them to secure loans under favourable terms."

EMPLOYEES of the Fuller Brush Company Limited are indeed proud of their credit union. And well they might be. Since it was organized in December, 1953, its members have helped each other to enjoy such things as home improvements, medical care, new cars, even vacations, with loans totalling well over $63,000. $99,630 has been collected from members during the two-year period, and dividends totalling slightly over $1,000 have been paid to them.

This clearly illustrates how a credit union encourages men and women to save together for greater financial security and peace of mind. Through their credit union, they are able to enjoy the advantages of low-cost loans from their pooled savings—often with added life insurance protection at no extra cost. This is the true spirit of the credit union movement . . . the self help, non-profit organization that daily fills, in a friendly way, the financial needs of its many members.

Today, credit unions are all over the Western Hemisphere. There are nearly 21,000 of them in all, serving some 10,000,000 people. Management endorses credit unions, because they free workers of financial worries, enable them to keep a clear mind for doing a better job. And wherever there are credit unions, pay advances and wage garnishments are practically unheard of.

You can start enjoying the financial security, the convenience a credit union offers. To form one, all you need is a group of 50 or more sharing some common interest—employment in the same company, for instance. Those wishing to participate, form and run their credit union themselves—under government examination—and every member benefits.

If you'd like to see a credit union in your company, why not do something about it right now? Begin by dropping a line to Credit Union, Dept P11, Box 65, Hamilton, Ontario, for full information —today!

A fine member of the Fuller Brush team, Wally Ridge is a Punch Press Operator. When Wally found the house he wanted for his family, he also found his team-mates in the credit union ready and willing to provide him with a low-cost loan, which enabled him to buy the house. This kind of fellowship is enjoyed by credit union members everywhere.

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Take A Leaf From Russia's Book

Could Five-Year Plan Beat Industry's Problem?

What will be the greatest future need of Canada's manufacturing industries? About 2,000 delegates from Newfoundland to British Columbia attending this week's annual meeting in Toronto of the Canadian Manufacturers' Association, agreed the need would be skilled personnel to keep abreast of technological progress. The topic cropped up in the speeches of most of the 40 specialists who addressed the three-day conference. It was one of the main subjects discussed by Mr. T. A. Rice in his presidential address who suggested:

- ***A five-year plan to get enough graduates.***
- ***Financial help where students needed it.***

Here's a digest of his address:

By T. A. RICE

With a view to helping to resolve this mounting problem of shortage in the whole range of skilled personnel required for the future of industry in Canada — technicians, scientists, engineers and executives—your association is setting up a special committee to co-operate with the federal and the provincial governments, the education authorities, and other interested parties.

One item on their initial agenda might well be a discussion of those young people who should attend places of higher learning but, because of financial stringency, cannot.

The immediate reaction will be that students who can afford to attend these places are alone over-taxing existing space, staff and equipment. That I know and it is a difficulty that will have to be faced squarely and rapidly. Nevertheless, the answer to the main problem still is a larger body of able students and graduates.

Set a Target

Frankly, I think we should steal a leaf from Russia's handbook of five-year-plans and set ourselves some sort of Canadian target as to the required number of graduates by a specified time.

In fact, we have little choice in the matter, if we are not to suffer from blinding production headaches in the increased mechanization of tomorrow. The advances we make in manufacturing industry are going to depend largely on the educational level of the people who enter it in the immediate future.

For this reason alone, industry generally must give this problem of education top priority rating. And the rating is bound to bring up the question of money.

Cost Will Grow

Expansion of investment in education by industry as a whole is going to grow more costly, but, when we think of the cost, let us face up to the fact that ignorance is infinitely more expensive than education.

I think I have shown that we, as manufacturers, have a keen interest and duty in the field of education. I hope that others will soon be convinced that they must play a greater part than they have in the past in investing today and tomorrow in minds as well as machinery. I think we all realize that a balance must be achieved to prevent the machines from outracing the minds.

Canada's destiny is well defined. Despite any temporary setbacks, the tide is still on the flow for Canada and Canadians.

Word of Warning

But I do have a word of warning, because the current upswing, which some people describe as a boom, cannot help but contain elements of further inflation.

National acceptance of the theory that annual wage boosts are vital to the expansion of purchasing power and that management can keep fattening the rate each year for the rest of time, is exactly the same as national acceptance of a permanent economy of creeping inflation.

Admittedly, high employment, which we are now experiencing, and stability, which we all hope for, rarely go hand in hand, and continued expansion often causes inflation. But this does not destroy the validity of the argument that all of us have a stake in curbing inflation and, because of it, we all have a responsibility.

Labor's responsibility would seem to be common sense in its wage demands, coupled with some consideration for the fortunes of the consumer and more internal emphasis on productivity, which is the only real gateway to plenty.

Management's responsibility is, quite plainly, continued ingenuity in devising ways and means of cutting costs and improving efficiency.

Governmental responsibility lies in a closer look at everything that concerns its national housekeeping bill and in avoidance of restriction of the competitive market.

The public's responsibility is to wake up to the fact that it is their pocket which will be picked if persistent inflation becomes the order of each and every day.

If all these responsibilities are accepted, then the Canadian dollar will not be threatened with a similar loss of virility that it suffered in the years immediately following the termination of the Second World War.

How Balance Imports

The increase in imports in 1955 was 15% over 1954 as against an increase in exports of only 10%. In the first quarter of 1956, the increase in imports was 29% higher than in 1955 whereas our exports only increased by 9%. Worst of all, most of these imports were fully finished manufactured goods, many of which could have been and should have been made right here in Canada.

It is as significant today as it was this time a year ago to note that Canada's purchases from and sales to the U.S. are sadly out of balance. This situation could and should be improved by urging our friends to the south of us to purchase more from Canada, and by diverting a relatively small percentage of our present imports from the U.S. to the United Kingdom, with which we have a favorable balance of trade.

Also, where economically desirable, we should manufacture more of what we import and more of the raw and semiprocessed materials which we export.

Your association believes that a sound tariff policy for Canada is of vital importance to the prosperity and welfare of every Canadian citizen.

In order to create a well-balanced and prosperous economy, it is essential that a tariff policy be maintained which provides for adequate Customs tariff rates and duty valuations designed to encourage and develop both our primary and industrial production, and to expand our domestic market.

Expansion Close to Limits As Industry Speeds Growth

The high level of economic activity which made 1955 Canada's most prosperous year seems to be continuing into this year.

In his report, CMA General Manager J. C. Whitelaw, Q.C., listed these indications of rising prosperity:

—Manufacturers are running ahead of last year.

—Steel plants are operating at capacity.

—Foreign trade is considerably higher.

—Retail sales are buoyant.

—Carloadings are substantially greater.

—Employment is up about 5%.

He pointed out that last year, manufacturing production as a whole was well up — 12% higher than in 1954 and 10% over the previous 1953 record. Nonferrous metals advanced the most in 1955 with a 21% gain, and the electrical apparatus industry was close behind with a 19% gain.

Unprecedented capital expenditures, planned at over a fifth greater than last year, have given rise to decided shortages in a number of building materials, and price increases in a number of lines have reflected the strain placed upon certain segments of the economy.

Generally speaking, during the past several months, expansion of the economy appears to have been progressing close to the limits of the country's capacity to support it without disruption.

CMA has been doing much to promote exports. Among other things, it sponsored a series of discussions with the Enginering Institute of Canada and the Canadian Construction Association to encourage greater Canadian participation in overseas development projects.

Mr. Whitelaw reported: It is apparent that such activity at the professional level can do much to increase export opportunities, not only for capital goods but for a wide variety of other manufactured products as well.

A newly formed liaison committee, representative of the three associations, is working to develop speedier and more effective means of collecting and distributing information concerning proposed foreign undertakings in which Canadian engineering consultants, contractors and manufacturers would be interested. The continuing close co-operation of the department of trade and commerce and its foreign trade service is an essential feature of this effort.

The Government is now carrying out an intensified program of foreign exhibits of Canadian products, following last year's decision to terminate the annual Canadian International Trade Fairs. This program includes displays at important international trade fairs and also internationally recognized specialty exhibitions.

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A blood-pressure test gives a revealing check on the condition of your circulatory system. It can safeguard women during pregnancy, spot kidney disease, other troubles.

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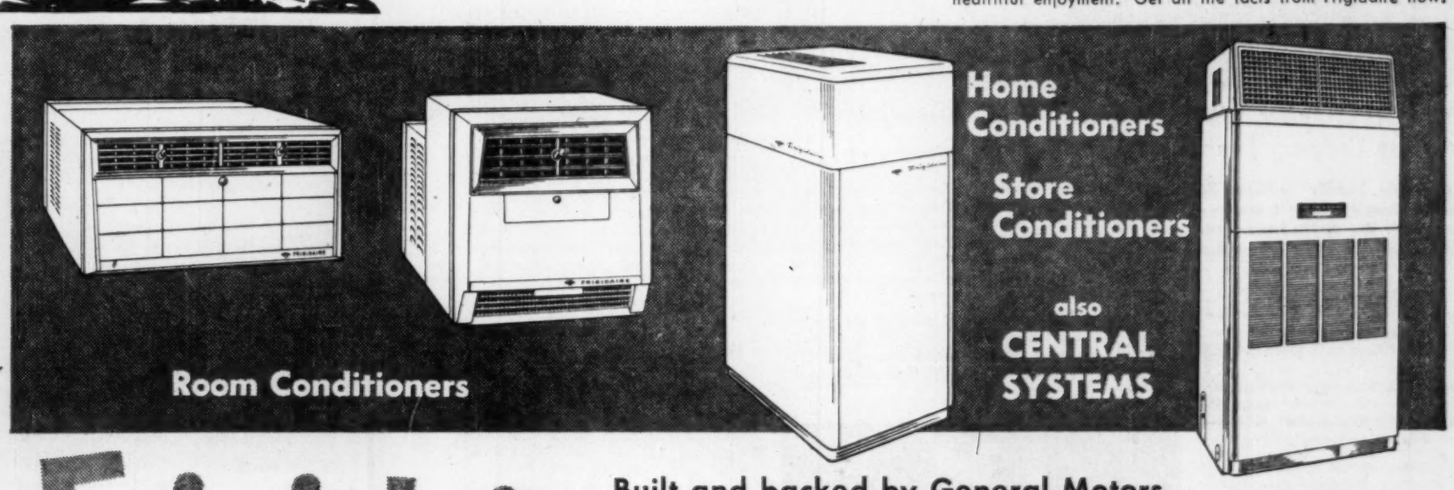

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Mr. Ion comes to Triad from the British Petroleum Company's London Office. During some twenty years with British Petroleum he has held important posts in oil exploration and development in several countries, including a number of years in the Middle East. Immediately prior to coming to Triad he was primarily engaged in long-term forecasting of the world oil industry picture.

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ESTABLISHED 1899

Bad Debt Business Tougher, Sloppy Budgets Take Blame

By RODNEY TOUCHE

Faces are getting long in the unpaid bill business.

Last year Canada's 250 bad debt dealers rode on the nation's boom and recovered a record $17 million. But this year they expect much less.

The blood-out-of-stone business is a sensitive guide to the health of the economy. Strangely enough, collectors prosper when everyone else is prospering. In hard times they have more clients but they recover less money.

The long-established agencies work like this:

—Clients pay a percentage of the amount actually recovered.

—Percentages vary from 25% to 50%, according to the type of debtor and the age of the debt.

—Four-year-old debts take the top rate because at six years they lose legal status. Debts against companies, anxious to preserve credit, cost the least to recover. Medical and individuals' debts rate 33-1/3%.

More Troubles

"We are having more difficulty collecting money this year than in any year since the war," says Joseph B. Lubotta, president, Financial Collection Agencies, the largest collection organization in Canada. He blames:

—Over-extended credit.

—More mismanagement of family money.

—Less willingness to make sacrifices.

—More temptations to buy.

Lubotta finds that people have got used to having what they want. Although credit has been tightened they still insist on luxuries. He has significant evidence of the new attitude of people in debt. They are sending his collection agency more cheques that bounce.

"You would hardly believe it," he says with disgust. "Imagine sending a bad cheque to a collection agency."

Last year the collection business was at the height of its prosperity. The 118 agencies in Ontario collected some $8.5 million out of an approximate total of $25 million owed.

Bigger Business

Financial Collection Agencies, with 11 branches across Canada, had 27% more accounts than in 1954 and their dollar value had jumped 22%.

The decline began a short time ago. The first quarter of 1956 was about the same as the first quarter of 1955.

"We saw the change coming last February," said Lubotta. "It takes two or three months for the cycle to change. We hope the latter part of this year does not get any worse than the first.

"I am afraid the present credit squeeze could be overdone. If continued at the present level too long it could create a minor recession."

Collection agency overheads rise sharply as the number of accounts grows. This can spell trouble if the dollar value of the accounts has not grown proportionately or if a credit squeeze has made money harder to recover.

On an average, agencies recover only one third of the amount outstanding. But costs of collection have risen 300% since the war. Major items are telephone and postage. About one quarter of the collections are made by mail. Most of the tracing is done by telephone.

No Door Rapping

Says Lubotta: "We do not go in for any door-knocking to recover money. It is the least profitable way. You do not find much brain power in people who do footwork and they either find no one at home or have to listen to hard-luck stories from wives."

Tracing is done by "specialists" who phone friends and relatives to track down the debtor who has "skipped."

One effective method is the letter on plain notepaper from the tracer asking: "Can you tell me where to find old Harry? I haven't seen him for a long time." Harry seldom finds out how easily he was given away.

But bill collectors do not put more squeeze on the strong than the sick. They recognize four classes of debtors and distinguish them by whether the debt has been caused by necessity, fraud, high pressure salesmanship, or accident.

Unpaid doctors' bills account for some $2 million a year of the debts. About 10% of the patients fail to pay them. In recovering these amounts the agencies try to preserve goodwill for the medical profession.

Fraud a Motive

Fraud is blamed as the motive in the smallest proportion of the debts. Says Lubotta, reassuringly: "About 90% of people are honest and if they have employment security they will fulfill their commitments."

In some cases the collection agency gives advice on how to run the family budget better. Some debtors have been carefully rehabilitated so that they can begin a pay-back program.

Things are tough in the bad debt business when it gets to that stage.

New Projects To Be Standardized

More and more firms are seeking approval by the Canadian Standards Association, the national organization for developing uniform standards for products and processes.

Ten new standardization projects have been authorized in the past year, states CSA Chairman J. S. Cameron in his report this week to the 29th annual meeting in Halifax.

The CSA is working on air pollution control, yard lumber grading and marking, the installation of gas burning appliances and equipment and the construction and conflict of overhead systems.

Industry is finding that the CSA approval stamp is boosting sales through increased confidence in the product and that CSA procedures cut costs in some cases.

More floor space may soon be needed for the approvals division in the CSA testing laboratories in Toronto, completed in October, 1954, said Cameron.

The association's individual membership has increased by 102 to 1,590 during the year. Sustaining membership now totals 1,088. The 14 standards published during the year have brought the total to 532.

Latest projects discussed included standardizing construction plywood and developing safety codes for recording and measuring work injury experience and for testing and certifying welding operators.

Sales of CSA publications during the year totaled $37,934 for more than 50,000 publications. This was $2,800 up on the previous year.

The CSA, said Cameron, has been invited to take part in a British Commonwealth standards conference in India in January next year.

Truckers to Name Seven Executives

Canadian Trucking Associations has named Montreal's Camille Archambault as its vice-president (Quebec), will appoint six more regional vice-presidents.

It's part of a general effort to bolster CTA's administrative set-up. "In the face of new problems of the trucking industry's growth —including stiffening competition from other forms of transport—it has been decided that CTA's organizational framework must be strengthened," said CTA Executive Secretary John Magee.

Archambault, assistant to the president and director of public relations for the Trucking Association of Quebec, will help CTA President William Norris discharge his duties in Quebec. Other vice-presidents to be appointed will be for the Atlantic region, Ontario, Manitoba, Saskatchewan, Alberta and British Columbia.

Truck Information Program by Int'l

A Canadian truckmaker has decided Canadians should become more conscious of the services and problems of trucks and truckers.

International Harvester of Canada, therefore, is sponsoring an ambitious public information campaign on the subject.

Said IHC Truck Sales Manager Lyle Kain:

"Our aim is to dramatize the indispensable role of trucks in our economy."

IHC this year expects to reach some three million Canadians through institutional ads in mass media plus a direct mail program. The latter will involve 45,000 groups and individuals.

Men and Money . . .

These are the ingredients for successful oil exploration. Recent submissions to The Royal Commission on Canada's Economic Prospects indicate that twenty-five years from now Canada may have oil reserves exceeding 30 billion barrels or ten times the estimated reserves to-day; that oil may supply 62% of all energy used in Canada, and to find, refine, and sell this oil the Canadian industry will have to spend $20 billion.

The job ahead is gigantic, but the opportunities are unlimited for those who seek oil and for those who will use part of their funds for this purpose.

In the light of these prospects, the formation of Cree Oil of Canada Limited, to engage in the exploration and development of oil and gas reserves in Western Canada, is significant. The noted petroleum geologists, Dr. T. A. Link and his associates, are the chief executive officers of the Company.

We recommend the purchase of:

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Company Reports

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

Railway Equipment

NATIONAL STEEL CAR CORP., Hamilton, Ont., net profit for the nine months ended March 31, 1956 was $496,742 in contrast to net profit of only $281,284 for the 12 months ended June 30, 1955. Company changed fiscal year-end to simplify operating procedures.

There was strong competition which affected product price level. Company's continued effort to offset rising costs by improved manufacturing techniques and modernization made profit possible, say Chairman A. P. Shearwood and President H. J. Lang.

Company received substantial orders for railway cars in latter half of 1955 and early 1956 in marked contrast to deferred buying throughout 1954 and first half of 1955.

Company says it has sufficient order backlog to maintain high production rate for next year provided raw materials are procurable. Availability of materials will probably govern work schedules and time required to fulfill orders.

For both periods company deducted depreciation at rates prescribed by income tax regulations. Company accumulated raw materials, supplies and work-in-process against future orders which increased inventories by more than $1.5 million. Consequently cash and marketable securities were reduced by nearly $1.9 million.

Successful manufacture of new products has increased railway equipment sales. Company is continuing studies and negotiations which will further diversify sales and insure better use of existing facilities and most advantageous expenditures for additional plant and equipment.

INCOME ACCOUNT

	9 mos. ended Mar. 31 1956	Year ended June 30 1955
Net earnings	$1,000,684	$825,148
Less: Depr.	204,942	358,864
Income tax res.	300,000	185,000
Net profit	495,742	281,284
Less: Divds.	1,140,750	1,404,000
Deficit for year	645,008	1,122,716
Earnings per Share and Dividend Record:		
Common	$0.71	$0.40
Paid	*1.12½	1.50
Special‡	0.50	0.50

*3 quarterly payments.
‡Pd. in yr. indicated for preceding year.

CONDENSED BALANCE SHEET

As at:	Mar. 31 1956	June 30 1955
Cash	$880,058	$1,183,447
Mkt. secs.*	4,281,875	4,219,875
Short-term secs.	3,006,553	3,765,907
Accts. rec.	648,462	1,221,707
Inventories	4,315,416	1,562,807
Total curr. assets	13,332,364	11,953,743
Prepd. exps., etc.‡	190,827	183,674
Empl. pens. plan.	771,750	882,000
Fixed assets‡	2,845,862	2,978,918
Total assets	17,140,803	15,998,335
Accts., etc., pay.	3,084,818	1,197,925
Taxes pay.	321,659	365,000
Divd. pay.	263,250	263,250
Total curr. liab.	3,669,727	1,826,181
Reserves	226,277	283,347
Capital stock	5,092,500	5,092,500
Surplus	8,152,299	8,797,307
‡After depr. of	8,251,729	8,074,803
*Mkt. value	4,204,000	4,225,650
‡Included in curr. assets in co.'s report.		
Working capital	9,662,637	10,127,562

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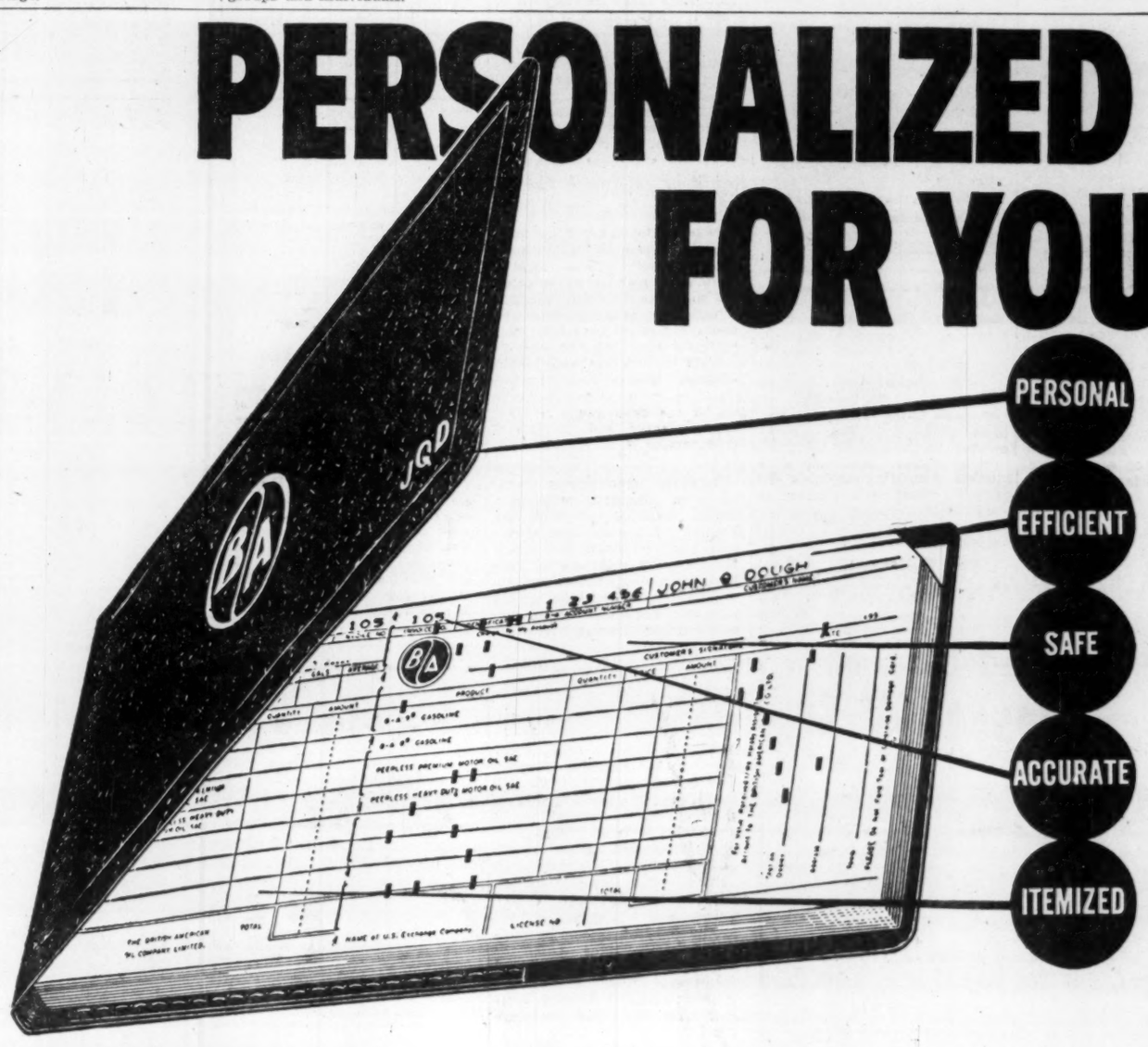

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What's the trend in business?

What's ahead for taxes?

How's the investment picture?

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CITY AND PROVINCE

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FP-3

What's New

New products, new uses, new ideas, new money-makers. We report them here and invite your contributions. Write to 481 University Ave., Toronto.

Ladder Climber Catcher

A new safety device for fixed ladders (i.e. chimney stacks, mining shafts, hydro poles) is said to give the best protection to date against ice or oil on rungs, sudden sickness, falling tools, hot lines, etc. A carrier rail is clamped to the rungs of the ladder every five feet, starting a few feet from the bottom of the ladder and continuing above the top. A safety sleeve is slipped over the rail and the climber's safety belt attached to it. The rail has notches every seven inches into which the safety sleeve pawls slip automatically if the climber falls — thus preventing a fall of more than seven inches. Device does not, however, impede his normal progress up or down the ladder.

• • •

Real Reflection

Do you want to see yourself as others see you? You can't with a conventional mirror, but you can with a new, British, three dimensional model. Comprising two wings of mirror glass, set at angles to each other, it gives the natural reflection—not the usual reversed one. A reflected printed page can be read normally.

• • •

Loaded Toothbrush

Stick your toothbrush in your pocket or purse and you're all set. No need to bother with toothpaste tubes that squash or caps that get lost. New German brush with fine long-life nylon bristles has a hollow handle containing a four-week supply of mint-flavored liquid dentifrice. When the supply is exhausted, the screw-in handle is discarded and a refill inserted in a matter of seconds.

• • •

Rejuvenates Punch Cards

New machine automatically makes folded, crumpled, creased or warped punch cards like new. Rejects those with foreign matter attached (pins, staples, Scotch tape) and reworks those not so rejected to their original dimensions. Said capable of reclaiming over 83% of otherwise unusable cards at the rate of 275 per minute and stacks them ready for use.

• • •

Presto, A Barracks

Welsh firm is now manufacturing a lightweight, portable hut large enough to sleep thirty men. Clear floor space: 30 ft. by 19 ft. Height: 9 ft. Weight: 160 lb. Can be erected on any ground in three minutes by one man using a 12-v. blower which can be operated from a car battery. Said to be stable in high winds, waterproof, dry within minutes after heavy rain, unaffected by frost and resistant to snow which does not settle on the roof.

• • •

Compact Glass

A new insulating material, manufactured with extremely fine glass fibres, is being introduced to the Canadian market. The low density, resilient material is said to have higher thermal efficiency and sound absorption characteristics than other insulators. Much lighter in weight and less bulky, it permits more complete insulation. Compressed approximately four to one as it comes off the production line, it may be compressed into "tight spots." It later springs back to its original thickness. Other advantages: Handles easily, is sanitary, noncorrosive, fire and moisture proof.

• • •

Deodorized Ash Tray

Ash tray replaces obnoxious odors with a pleasant, slightly scented aroma. Hand-painted ceramic tray, available in a variety of shapes, colors and designs, has permanent preparation that is said to banish unpleasant odors caused by stale or smouldering butts.

• • •

No More Fuse Fuss

Replacing fuses, there's now a small circuit breaker that fits into any standard fuse socket. To restore service after a break, all you have to do is push a button. Available in 15, 20 and 30 amp.

• • •

Auto Night Glow

Special coating for cars gives them a night-time glow when they reflect the lights of other cars. Renders cars visible from twice the distance.

• • •

Auto Executive Suite

Folding, portable desk for use in an automobile is large enough to accommodate big portfolios, notebooks, or a lunch tray. Made of light-weight masonite it measures 12 in. by 19 in. and has a folding steel base that anchors easily under the back of either front or rear seat. Designed to provide a level or tilted writing surface for the busy executive.

• • •

New Catalogues

Tremco Manufacturing Co. (Canada) Ltd., Toronto, announce the publication of a new booklet "New Products and Methods for New Glazing and Sealing Problems." Of particular interest to architects, building contractors and glaziers concerned with curtain wall construction, the book is well illustrated with photographs and drawings.

Silknit Sales Rise In First 4 Mos.

Silknit Ltd., Toronto, consolidated net sales of the Canadian companies in the first four months were slightly higher than for same period of 1955, with profits more than proportionately greater, President M. H. Epstein told the annual meeting.

Although advance orders presently outstanding for some of the company's fall lines are higher than a year ago, conditions in some branches of the industry are cause for concern and careful scrutiny, Mr. Epstein said.

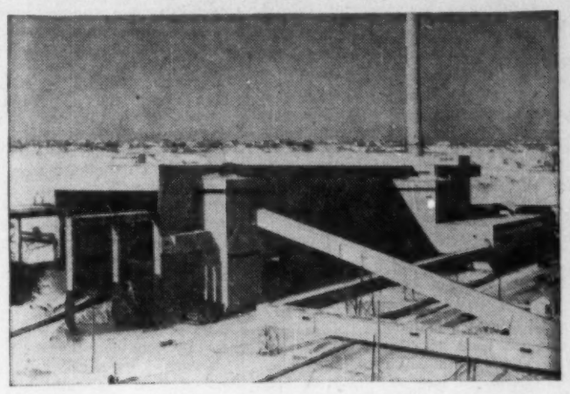
All conditions and developments are carefully studied, economies, where possible, are being effected, but some remedies are required that are beyond what the industry, or an individual company, can do for itself. Any cause for optimism is tempered by the problem of the disposal by the U. S., Japan and other countries of their surplus production in our market, company states.

INTERNATIONAL PETROLEUM CO. — under company's stock option plan, 1,320 common shares were issued and fully paid for on May 1. Now 14,525,408 common shares outstanding.

INTERNATIONAL NICKEL CO. OF CANADA on May 2 had 184,317 preferred shares, $100 par, and 1,839,225 preferred shares $5 par, outstanding.

Before A Sod Was Turned....

ST. LAWRENCE CEMENT CO. PLANT AT QUEBEC CITY



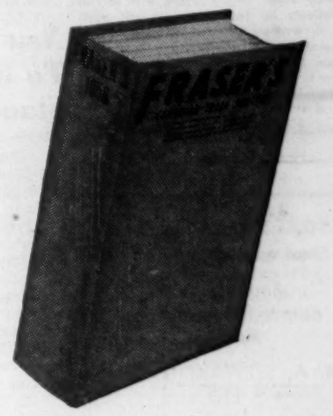
The St. Lawrence Cement Company has one plant in Quebec, producing 6,000,000 bags of cement yearly and another is presently being built in Clarkson, near Toronto, which will start production on January 1st, 1957. A production of 12,000,000 bags a year will be the output of this new plant.

They Purchased

FRASER'S

PURCHASING AGENT AT ST. LAWRENCE CEMENT COMPANY ENDORSES FRASER'S CANADIAN TRADE DIRECTORY

"Truly, here is one of the best buying guides available to purchasing agents."



J. C. CANTIN, Purchasing Agent, writes:

"Fraser's Canadian Trade Directory has always been the Number One reference book on my desk, where it is in constant use.

When company engineers arrived from Switzerland three years ago to supervise and plan the construction of the Quebec plant, I taught them how to use Fraser's and placed copies on every desk.

Today, everyone concerned with purchasing in our company, uses these directories daily.

Truly, here is one of the best buying guides available to purchasing agents."

J. C. Cantin, Purchasing Agent, St. Lawrence Cement Co.

- This action is typical. When a new industrial plant is being planned for Canada, invariably a copy of Fraser's is one of the first purchases by those responsible for erection, machinery and supplies. In many instances, FRASER'S is on hand even before public announcement of the project.
- Such newcomers to Canada need a complete purchasing reference in the early stages of development. They, like long-established Canadian companies, find FRASER'S indispensable for specifying and locating the thousands of products required by an industrial plant.

This is another reason why FRASER'S is first choice by industrial purchasers — first choice by industrial advertisers.

"Wherever there's Purchasing . . . there's FRASER'S"

FORD V-8
more of what you want most!

Here's the challenge

DRIVE FORD- then you'll know it's for you!

You'll thrill to the hill-flattening "go" of Ford's responsive, dependable V-8 power

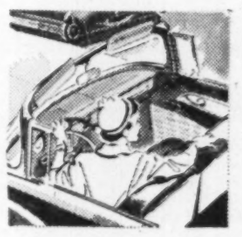
With a Ford V-8 you can have "getaway and go" ranging from 173-Hp. to 225-Hp. . . . the smooth, dependable power that has made Ford the world's largest-selling V-8! When you want to "call out the reserves" to pass in a hurry, you *know* the extra power's there! If you prefer a Six, you can have the Mileage Maker Six in any Mainline or Customline model and in three station wagon models.

You can enjoy all the safety features of Ford-pioneered Lifeguard Design

There's reassuring built-in safety for you and your family in Ford's Lifeguard Design—with recessed-centre Lifeguard safety steering wheel and double-grip safety door latches that help prevent doors from springing open in the event of a collision. And at modest extra cost you can have the additional protection of floor-anchored seat belts and plastic padding for instrument panel and sun visors!

You'll enjoy incomparable smartness—driving the car with Thunderbird style

You know you're in style wherever you go—when you drive any of Ford's modern-as-tomorrow models! For the clean, uncluttered lines that Ford inherited from its Thunderbird cousin make it a styling standout in any setting. And inside, too, every detail of trim and fabric, every beautiful appointment, is in tune with Ford's elegant exterior!



You'll appreciate the wonderful ease that's yours with power steering*, power brakes*

Master-Guide power steering makes turning and parking literally one-finger operations! Yet, because Master-Guide provides assistance in exactly the degree you need it, you get effortless driving ease without losing the steering "feel" that means complete control. Ford's Swift-Sure power brakes give you sure stops at a touch of your toe!

(**Optional at extra cost*)

You'll have greater comfort with 4-way power seat* and power windows*

With Ford's 4-way power seat, a touch of a switch moves you up or down, forward or back, to the position that's most comfortable for you, whether you're tall, short or average . . . instant adjustment for every driving member of the family! Power window lifts enable you to control all windows from the driver's seat—and there's an individual control on each door panel, too!

(**Optional at extra cost*)

(Certain features illustrated or mentioned are "Standard" on some models, optional at extra cost on others.)

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Ford MONARCH

ANNOUNCEMENT

ELECTED ASSISTANT SECRETARY

A. D. CHURCHILL-SMITH

The election of A. D. Churchill-Smith to the post of Assistant Secretary of the Canadian Westinghouse Company, Hamilton, is announced. A graduate of Dalhousie University, he practiced law at Halifax after being called to the Bar in 1948 and became a solicitor to the Toronto Harbour Commission in 1950. Mr. Churchill-Smith joined Canadian Westinghouse as a solicitor in 1953 and will continue to act in that capacity.

MARKET COMMENT

The informed opinion of men experienced in market analysis is given regularly in this investment feature. For profit add their viewpoint to yours. You get them in

THE FINANCIAL POST

Yearly by mail in Canada $6; elsewhere $7 yearly.

$30 Million In Estimates To Meet Federal Pay Boost

OTTAWA (Staff)—A $30-million item to cover civil servants' salary boosts was one of the major items in the Government's supplementary estimates announced this week.

For those departments whose main 1956-57 estimates have not already been discussed by Parliament. The supplementary estimates will come up for approval at the same time. In the case of departments whose main estimates have already been approved, supplementary estimates will have to be studied separately.

Total requested by the Government in the main estimates is $146,025,513. In its main estimates for the fiscal year ending next March 31, the Government had estimated its budgetary expenditures at $4,474,342,712, of which $3,037,678,299 was to be voted this year.

Largest single item in the supplementary estimates is $50,020,000 for the welfare branch of the department of national health and welfare. This in effect is to supplement $379,515,000 requested in the main estimates for old-age security payments. Technically it is to repay a loan from the consolidated revenue fund, purpose of which was to give the old-age fund the money it needed and failed to get through its 2% share of personal income tax, corporation income tax and sales tax collections.

For Payroll Increase

Second-largest item, $30 million, covers the 8% payroll increase for employees of the Federal public service, which was voted by Parliament recently. Since the main estimates are based on submissions made to the Government by the various departments before Nov. 1, these increases could only be provided for in the supplementary estimates.

Two advances, totaling $7 million, are to be made to the department of national defense. A $5-million item is sought to cover loans for housing to be built for occupancy by members of the armed forces.

The other $2 million is for a capital-assistance loan to the newly created town of Oromocto, N.B., adjoining the giant $30-million camp Gagetown now nearing completion for the Army. Oromocto will be home to some 12,000 soldiers, their dependents, and civilians. The $2-million loan, to be covered by town debentures, will assist in completion of physical development of municipal works.

For the Fowler commission on broadcasting, a vote of $560,000 is included in the supplementary estimates. A token vote of $150,000 had been included in the main estimates, before it was known what the scope of the commission's hearings and travels would be.

One of the major points for the Fowler commission's inquiry is financing of CBC television broadcasting. Presumably to tide CBC-TV over until the Fowler inquiry comes up with some new method of financing, the supplementary estimates include a $12-million grant "toward the anticipated deficit arising in 1956-57 from the operation of the television service."

The main estimates, tabled in the House of Commons January 26, included a payment of $17 million to the CBC, representing excise taxes to be collected by the Government on sales of radios and TV sets. Revenues from this source are thought to have been below expectations, while TV broadcasting expenses have been climbing.

The CNR's ferry service between Nova Scotia and Newfoundland incurred a deficit last year, and is expected to lose money in 1956 as well, largely because of the necessity of using Newfoundland ports other than Port aux Basques as originally planned. To cover last year's actual deficit and this year's estimated, a vote of $1,123,830 is sought by the department of transport.

$2 Million For Immigration

The immigration branch is to receive a supplementary $2,255,000, in addition to the $450,000 contained in the main estimates, to help carry out its transoceanic and inland transportation-assistance program for immigrants, which this year has been extended to the families of immigrant workers, as well as to the worker himself.

A vote of $500,000 is sought by the Canadian hydrographic service, for construction of a new hydrographic vessel. The department of transport requests $900,000 additional for a $2.6 million service vessel and icebreaker for its Quebec agency.

HELEN ANDERSON

media director, E. W. Reynolds Ltd., has been elected president, Women's Advertising Club of Toronto, for 1956-57.

Women's Adv. Club Elects New Officers

The Women's Advertising Club of Toronto, has elected new officers and directors for 1956-57 as follows:

President—Miss Helen Anderson, E. W. Reynolds Ltd.

Vice-president — Miss Elaine Collett, Moffats Ltd.

Corresponding secretary — Miss Audrey Barlow, Needham, Louis & Brorby of Canada Ltd.

Recording secretary—Miss Joan Anderson, Robert Simpson Co.

Treasurer—Miss Catherine Robbie-Dey, Baker Advertising Agency Ltd.

Directors — Misses Madeleine Rivet, Publicité Services Ltée.; Margaret Livingstone, Locke, Johnson & Co.; Margaret Douglas, John Inglis Co.; Mrs. Winifred Crosier, Boyle-Midway (Canada) Ltd.; Miss Audrea Lear, Shell Oil Co. of Canada.

Auto Output Stays High

In the auto world this week:

—General Motors of Canada cracked its monthly production record for the second successive month with an output of 27,048 cars and trucks in May. The old record, set in April: 25,688. On May 14, GM set an all-time daily record by turning out 1,393 cars and trucks.

—The weekly production rate of the Canadian industry moved back over the 13,000 mark.

—In contrast, U.S. production last week was lowest since October, 1954, as small sales and big layoffs continued.

—Ford of Canada reported it spent a record $126 millions for materials and services in 1955, plus another $65 millions for wages and salaries.

—Experts at a Toronto meeting of Manufacturers' and Suppliers' Council of Automotive Transport Association of Ontario predicted: spare tires soon will disappear because new tires will be virtually puncture-proof; ordinary mineral lubricants will go off the market with the appearance of all-purpose, all-season oils; steel springs will be replaced by air cushion springs; turbine engines will displace piston-driven motors sometime within a period five to 20 years from now.

ANNOUNCEMENT

DOMINION GLASS APPOINTMENTS

F. N. DUNDAS | N. W. MELDRUM | J. R. MACKENZIE

Dominion Glass Company Limited announces the following executive appointments made at a recent meeting of the Board of Directors: Fred N. Dundas, formerly Vice-President and Secretary, has been appointed Executive Vice-President, and also elected a Director of the Company. Norman W. Meldrum, heretofore Manager of the Redcliff, Alta. operations, both Manufacturing and Sales, has been appointed Vice-President and Assistant General Manager. James R. Mackenzie, who was formerly Manager of the Company's Hamilton, Ontario factory, has been appointed Vice-President, Manufacturing.

"I'm told Guaranty Trust is a good place to do business"

4% PAID ON GUARANTEED INVESTMENTS

M-761

Jack Sprat could eat no fat

—and, as the nursery rhyme continues, "his wife could eat no lean"—

Which, in a way, makes a point about investing that we've been underscoring for years.

The point is simply this: There isn't any such thing as an "all-purpose" stock. A good choice for one portfolio can represent a pretty poor selection for another.

The right stocks for *you* must always depend on your own individual needs, your personal requirements, your particular objectives.

Of course, selecting those stocks out of the many thousands there are to choose from, can be something of a real problem.

Which may be one reason why so many investors write to our Research Department for help — ask for an unbiased opinion of what looks like fat, what looks like lean.

No, there's no charge. No obligation, either. If you'd like such a review, simply write to—

T. Gordon Crotty, *Manager — Dept. ZG-42*

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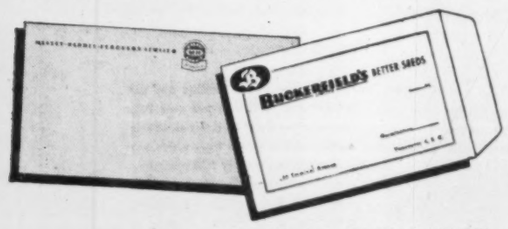

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ENVELOPES AND PRINTING PAPERS

BARBER-ELLIS

SALES AND SERVICE COAST TO COAST

Non-Woven Fabrics Sell Well

MONTREAL (Staff) — Some 350 textile scientists from Canada, the U.S.A. and the U.K., gathered at Queen's University, Kingston, Ont., this week to exchange technical information at the fifth Canadian textile seminar.

Some 33 papers were presented at the seminar which is sponsored and organized every two years by the Textile Technical Federation of Canada, the central coordinating body for Canada's eight textile technical groups.

The seminar covered such topics as fabric manufacturing, fibre development, knitting, mill management, mill engineering, quality control, Canadian research, wet processing and yarn preparation.

Dr. C. Eugene Coke, Courtaulds (Canada) Ltd., spoke on the manufacture of nonwoven fabrics which he termed the only really new method of manufacture in the textile industry in 4,000 years. Authorities predict, Dr. Coke said, that producion of nonwoven fabrics will double every three years until the mid-1960s. The industry, which is less than 10 years old, produced between 50 and 75 million lb. of nonwoven fabrics last year in the United States.

Its growth is largely due to development and availability of relatively new synthetic bonding agents. Current target for these fabrics — they already moved into the outerwear field as skirts —is dress fabrics. "Another two years may see the first fabric of this type on the market," Dr. Coke said.

The only woman to deliver a paper at the seminar was Audrey S. Tweedie, chemistry division, National Research Council, who discussed testing of textiles from the consumer angle. Highlight of the paper was the announcement of new testing methods to determine the role of perspiration in causing fading of apparel fabrics. Miss Tweedie reported it had now been established that perspiration affects certain dyes, causing them to be susceptible to light fading.

WHO *started* this sale?

Chatelaine starts sales by putting women in the mood to buy. Every month, Chatelaine's service editors turn nearly a million women into responsive prospects by implanting new wants.

Every month, nearly a million readers depend on the authority of Chatelaine for what's new in the woman's world — and what's new is what SELLS.

Your advertising will carry more weight when it appears against this background of authority. No matter what other advertising you are doing, be sure that Chatelaine is on your list.

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The authority that influences Canadian women.

A Maclean-Hunter Publication

CH4/9

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This is the Chatelaine Institute Seal of Approval. With it, you'll make more Sales. It is the homemaker's guide to better buying, the advertiser's aid to better selling. Tell us to show you why.

Dividends 14% Ahead of '55 $350 Millions in 6 Months

Latest indications show that dividends for 1956 are continuing to keep well ahead of 1955. Dividend payments and declarations for the first six months are 13.5% ahead of the comparable period last year.

Preliminary payments and declarations for June of $94.2 million are already 9.2% ahead of total payments for the whole of June last year.

Biggest increase is in the financial field which jumped 29.8% ahead.

Here is a comparative breakdown of the June payments for 1956 and 1955:

—In the industrial and public utilities section 171 (185) issues have declared payments of $39.8 million ($39.1 million), up 1.8%.

—In the mining category 23 (26) issues have declared payments of $27.6 million ($23.9 million), up 15.5%.

—In the oil group nine (seven) issues have declared payments of $20.7 million ($18.5 million), up 11.9%.

—In the financial field 26 (25) issues have declared dividends of $6.1 million ($4.7 million), up 29.8%.

Following is a list of payments for June as compiled by The Financial Post from records available at June 1:

Monthly Dividends

	1956	1955
	$	$
January	66,606,635	59,873,796
February	34,785,941	31,140,435
March	72,298,272	69,011,859
April	46,407,293	42,478,400
May	35,152,330	19,027,942
June	94,246,187	86,292,191
Total	349,496,658	307,824,623

Industrials, Utilities

Company:	Rate	Date	Amount
	$		$
Acadia-Atlan. 5% pf.	1.25q	15	37,500
Agnew-Surpass	.10q	1	40,294
Do. pfd.	.27½s	1	11,407
Aluminium	†.60q	5	5,969,773
Aluminum 4% pf.	.25q	1	122,530
Anglo-Can. Tel. A	.15q	1	73,065
Argus	.20	1	274,054
Asbestos Corp.	.25q	29	450,000
Atlantic W'salers pf.	.55s	1	12,375
Auto-Electric	.17½	15	22,107
Do. A	.12q	15	459
Barbg.-Ellis	.80q	15	35,200
Bathurst Pwr. & P. A	.75q	1	300,000
Bowes Co.	.50	1	58,411
Bird Construction	.60q	30	14,400
Brantford Cord. A	.25q	1	15,000
Do. B	.12½q	1	10,000
Bridge & Tank pf.	.72½q	1	29,000
T. G. Bright pf.	.28½q	29	28,750
B. A. Bk. Note	.30q	15	45,000
Brown Co.	.25	1	661,216
Burrard D.D. A	.11q	15	27,500
Can. Cement pf.	.32½q	20	243,750
Can. & Dom. Sugar	.30	1	465,000
Can. Flooring A	.25q	1	10,188
Can. Fdries. & F. A	.37½q	15	10,007
Can. Malting	.50q	15	99,486
Do. 4½% pf.	.29½q	15	58,199
Can. Starch	.75q	30	44,493
Can. Vinegars	.20q	1	18,400
Can. Wire & C. A	1.00q	15	2,309
Do. B	**.20	15	205,382
Cdn. Celanese	.15	30	186,245
Do. $1.00 pf.	.25q	30	25,000
Do. $1.75 pf.	.43¾q	30	175,000
Cdn. Fairbanks	.30	1	73,079
Cdn. Ing.-Rand	1.00	20	197,158
Cdn. Locomotive	.50	1	125,000
Cdn. Tire	.15q+▲.10	1	25,000
Cdn. W. Nat. Gas 4% pf.	.20q	1	55,082
Chateau-Gai	.50s	13	57,000
Combined Enterprises	.12½	1	75,000
Cons. Theatres A	.12q	1	9,744
Do. B	.10	1	24,300
Copp Clark Pub. 6% pf.	1.50q	1	7,500
H. Corby Dist. A & B	.50s	1	585,958
R. L. Crain	.15q	30	13,500
Crow's Nest Coal	2.00s	2	124,252
David & Frere A	.75q	30	15,473
Do. B	7.00	1	161,000
Distill.-Seag. c.	.30q	15	2,630,805
Dominion Stores	.25q	15	402,500
Dom. Struct. Steel	.50q	1	6,354
Donohue Bros.	.30q	1	90,000
Eddy Paper A	.25q	15	50,000
Electrolux	†.25q	1	307,625
Elk Creek Waterwks.	.05s	1	5,000
Famous Players	.37½q	25	651,402
Fanny Farmer	†.37½q	30	127,500
Ford Motor A & B	1.25	15	2,073,700
A. J. Freiman	▲.50	1	42,500
Gen. Paint A	.30s	1	4,800
Goodyear Tire	1.00q	30	257,260
Gord. Mackay A	.12½q	15	25,200
Do. B	.12½	15	25,200
Grafton A	.25q	15	9,030
Grand & Toy	.25q+▲.10	29	8,075
Gt. Lakes Pap.	.40q	30	480,000
Do. Cl. B	.30q	30	30,000
Gt. Lakes Pwr. pf.	.31¼q	30	24,318
Gt. Nor. Gas Util. $2.50 pf.	.62½q	1	9,375
Gt. West Garm. 6% pf.	.15q	30	8,259
Gt. West Saddlery	.50q	30	19,935
Gypsum, Lime	.60q	1	264,026
Ham. Cotton	.22½q	1	18,000
Hinde & Dauch	.45	25	162,000
Imp. Tobacco ord.	.10q	29	967,053
Imp. Flo-Glaze	.30q	1	16,683
Do. pfd.	.37½q	1	4,021
Interior Brew. B	.12s	15	27,540
Int. Paper	†.75q	18	7,758,056
Do. pf.	†1.00q	18	230,000
Inter. Utilities	.50	1	512,289
Johnston Term.	.15	15	11,700
Do. 6% pf.	.15q	15	12,655
Kelvinator	.25q	20	100,000
Lake of W. Mill. pf.	1.75q	1	26,250
Alf. Lamb. A	.15q	30	6,225
Do. B	.15q	30	6,225
Laura Secord	.25	1	71,875
Loblaw Cos. A	*.10	1	14,520
Do. B	*.10	1	183,200
Do. $2.40 pf.	*.60	1	217,800
Loblaw Groc.	■.51	1	74,052
Do. 2nd pf.	♦.51	1	934,320
Do. $1.50 1st pf.	*.12½	1	
Loblaw Inc.	†.37½q	1	132,685
M. Loew's	1.00q	29	7,500
Lounsbury A	.12½q	1	13,311
Do. B	.12½q	1	4,795
MacKinnon Str. Stl. pf.	1.25q	15	2,957
Maclaren Pwr. & Pap.	.50q	29	250,000
MacMillan & Blo. A	.12½q	30	4,918
Do. B	.20q	30	1,049,238
Mailman $1 prior	.25q	30	15,896
Man. & Sask. Coal A	.20s	1	15,000
Massey-Harris-Ferg.	.15q	15	1,427,873
Do. 4½% pf.	1.12½q	1	281,250
Melchers Dist. pf. 6%	.30s	30	37,500
Mica Co. of Can.	.04	28	9,000
Mitchell, Robt. A pf.	.25q	15	54,300
Mod. Containers	.25q	2	12,969
Molson's Brew. A & B	.30q	22	450,000
H. Morgan	.18¾q	1	76,875
Do. 4½% pf.	1.18q	1	47,200
Morrow Screw	1.00s+▲.50	15	45,000
Nat. Drug	.15q	1	37,559
Do. pf.	.15q	1	36,726
Nelsons Laund. 6% pf.	.15q	1	7,500
Nfld. Lt. & Pwr.	.37	1	55,500
Do. 5% pf.	1.25q	1	25,000
Niagara L. Arch Bridge	.50q	10	7,500
Nor. Que. Pwr. 5½% pf.	.69q	15	34,500
Do. 3-6% pf.	.75q	15	7,500
Northland Util. 5½% pf.	2.75s	1	11,000
Ogilvie Flour pf. 7%	1.75q	1	35,000
Okanagan H'cop. 6% pf.	.15q	15	11,250
Ont. Jockey Club	.05s	15	91,096
Paton Mfg.	.20q	15	10,000
Do. pf.	.35q	15	7,524
Pembina Line 5% pf.	.62½q	1	25,000
Peoples C. Jewel. 6% pf.	3.00	30	23,631
Phillips Elec.	.12½	30	75,000
Powell River	.30q+▲.30	15	2,520,000
Power Corp.	.50	30	261,888
Provincial Trans.	.25	30	87,500
Jas. Robertson Co.	♦♦stk. div.	15	
Robinson Little A	.25q	1	6,250
Do. com.	.20q	30	11,000
Rolland Paper A	.20q	1	24,000
Do. B	.10q	1*	6,000
Do. 4½% pf.	1.06¼q	15	18,063
Russell Ind.	.20q	30	152,871
S.K.D. Mfg. 6% pf.	.15q	1	4,604
Do. 6½% pf.	.31¼q	1	2,558
Sarnia Bridge	.20q	15	27,000
Saskatoon Pipe Line	.25	30	25,000
Scythes	.25q	1	12,500
Do. 5% pf.	.31¼q	1	3,472
Sherriff-Horsey	.12½q	15	38,750
Sick's Br. com. & V.T.	.30q	30	285,600
Silknit	.25q	15	16,021
Do. 5% pf.	.50q	15	6,095
H. Simon & Sons 5% pf.	1.25q	1	4,614
Simpsons Ltd.	.12½q	15	375,000
Southam Co.	.45q	28	337,500
Stowell Screw A	.75s	1	5,625
Super Serv. Stns. 4½% pf.	.11¼q	15	5,625
Tel. D'Harricana & Gat.	.60	15	22,200
Toronto Elevators	.20q	1	49,541
United Amuse. A & B	.25s	15	80,829
United Steel	.25q	29	117,381
Viceroy Mfg. A	.12½q	15	31,111
Virginia Dare 5% pf.	.31¼q	1	5,000
Waterloo Mfg.	.50	15	33,250
Do. 4½% pf.	.22½s	30	5,625
Westeel	.30q	15	141,781
Western Can. Brew.	.30	1	246,627
G. Weston 4½% pf.	1.12½q	1	132,761
J. C. Wilson	.25	30	41,438
G. H. Wood pf.	1.37½q	1	4,806
X-L Refineries 6% pf.	.30s	1	27,000
Total			38,844,343
Mining Companies			
Aunor Gold	.04q	1	80,000
Coch. Willans	.03	2	88,850
Consol. Disc. Yell.	.10	1	274,392
Falconbridge	.50+▲.10	15	2,253,763
Granby Cons.	†.25	1	112,565
Hallnor Mines	.05q	1	100,000
Hollinger Cons.	.06q	29	295,200
Hudson Bay M. & S.	1.25	11	3,447,466
Inter. Nickel c.	†.65	20	9,479,616
Kerr-Addison	.20q	28	946,060
La Luz Mines	.05s	28	75,221
Lamaque Gold	.10	1	300,000
Macassa M.			80,342
Madsen Red Lake	.05+▲.05		349,953
McIntyre Porc.	.50q	1	399,000
Mining Corp.	.50	29	1,067,403
Noranda M.	.50q	15	2,239,772
Normetal M.	.15	28	563,552
Pickle Crow	.10n	30	313,683
Placer Develop.	■■.50	12	1,290,000
Quemont M.	1.00	28	2,102,168
Renabie	.05	15	52,500
So. Am. Gold	†.15	14	281,250
Teck-Hughes	.05s	1	240,357
Waite Amulet	.35q	8	1,155,000
Total			27,588,115
Oil Companies			
Anglo Cdn. (Brandon)	.40	1	32,356
Andian National	†.15	1	332,500
Bailey Selb. 5% pf.	31¼q	1	62,500
Hi-Tower Drill.	.30	1	43,500
Imperial Oil	.50s	1	14,934,133
International Petrol.	†.35	11	5,083,431
North Star A	.15q	15	417
Royalite Oil	.06¼q	1	187,229
Stuart, D. A. Oil pf.	.25	1	26,993
Total			20,703,059
Financial			
Bk. Candn. Nat.	.30q	1	210,000
Bank of Montreal	.35q	1	1,575,000
Cdn. Gen. Sec. A & B	.25+‡stk. div.	15	143,320
Cdn. Int. Inv. Tr.	.10	1	12,001
Do. pf.	1.25q	1	11,625
Confederation Life	.38q	15	38,000
Cons. Div. Std. Sec. pf.	1.00	29	21,000
Credit Fonc. Franco-Cdn.	2.00a	1	848,000
Dom. & Anglo I. pf.	1.25q	1	12,500
Dom. Life Assce.	3.00q	30	12,000
Dom. Scot. Invest.	.40	29	35,661
Econ. Invest. Tr.	.25q	29	37,500
Imp. Invest. A & B	.17½q	30	14,175
Do. $2.50 pf.	.62½q	30	9,375
Indust. Accept.	.62½q	28	839,298
Do. 4½% $100 par	1.12½q	28	112,500
Do. 4½% $50 par	*.84q	28	84,000
Interprov. Bldg. Cr.	.25	1	27,755
La Banque D'Econ. du Que.	.25q	1	25,000
Leverage Fund	.04q	15	25,179
Monarch Mtge.	1.00s	30	42,181
Pac. At. Cdn. Inv.	.03	1	8,400
Royal Bank	.45q	1	1,890,000
Sovereign Life	4%s	1	8,400
Union Accept. 6% pf.	.30q	1	7,350
Vic. & Grey Trust	.25	15	60,450
Total			6,110,670
Grand Total			94,246,187

♦♦One 3% noncum. red. pfd. sh. (par $1.00) for ea. 2 com. shs. held
**First following 5-for-1 stk. split in '56.
‡Approx. 4/5 of pf. sh. for ea. cl. A & cl. B sh. held.
*Initial. ♦Bonus.
q—Quarterly. s—Semiannually.
a—Annually. †U. S. funds.
■Formerly cl. B shares.
♦Formerly cl. A shares.
■■First following 3-for-1 stock split Feb. 15.

'56 Congress Beneficial To Canada

Special Correspondence

WASHINGTON—U. S. Congress is getting ready for the home stretch in its 1956 session and so far, thanks mainly to President Eisenhower, the actions taken in Washington have been largely beneficial for Canada.

The most important single action so far as Canada is concerned is the new U. S. farm bill. It is designed to help cut down on American farm surpluses and anything that does this is good news for the Canadian economy.

This is because such action would bring strength to world market prices, especially wheat. Congress originally passed a farm bill which would have caused plenty of trouble for Canadian farmers, but after a strong tongue-lashing by President Eisenhower, Congress eventually passed the more acceptable measure.

Congress also passed a natural gas bill freeing some producers from federal controls. The president, however, vetoed the measure which would likely have increased some gas rates for homes in southwestern Ontario which get their gas from U. S. pipelines.

The Senate has passed, but the House has not yet okayed, a plan to develop the power at Niagara Falls along the same lines as power is being developed by the Ontario Hydro Electric Power Commission.

There has been a big fight in Congress as to whether the power should be developed by private companies or by the State of New York. The example and success of the Ontario Hydro has been cited many times as a reason why New York State should do the developing and the Senate went along with that idea.

Trade Matters

On trade matters, two bills of interest to Canada appear to be stalled. One is the Organization for Trade Co-operation and the other is the Customs Simplification measure.

The OTC bill would approve U.S. membership in the Organization which is designed to act as the administrative arm of the General Agreement on Tariffs and Trade (GATT).

Canada approves of OTC, but the Organization is not likely to come into being without U.S. support. At present, a House Committee has approved OTC, but its progress has been stymied by protectionist members in the House. Chances are it may die before the session ends in July, despite the personal urging for approval of President Eisenhower.

The Customs Simplification bill is running into the same trouble as OTC. The measure would wipe out much of the red tape which bars expansion of Canada-U.S. trade. However, in an administrative action taken a few weeks ago, a lot of red tape was cleared away.

Meanwhile, a protectionist amendment has been added to the bill which would complicate trade even more than at present. Hence, the death of the Customs Simplification bill would not be much of a hardship for Canada.

Anglo-Cdn. Tel. Earns 46c a Sh.

Anglo-Canadian Telephone Co., reports net income of $457,316 for the first quarter of 1956, equal to 46c a share on the class A and deferred stock outstanding. Operating revenues totaled $1,039,904. A consolidated statement also shows that for the 12 months ended March 31, 1956, net income was $1,678,508, equal to $1.608 a share.

The Bank of Nova Scotia

Additional Capital Stock

The Bank of Nova Scotia has offered to its shareholders of record May 31, 1956 the right to subscribe for additional capital stock on the basis of one new share for each five shares held, at the price of $38 per share. The Bank Act prohibits the provision of rights in respect of a fraction of a share. Full details of the offer are contained in a letter from the Bank to the shareholders dated May 31, 1956.

The undersigned syndicate of investment dealers and brokers has agreed to purchase from the Bank at a price to be negotiated, all new shares not subscribed for at the close of business on September 5, 1956, the expiry date of the offer of the Bank, including all shares representing fractions.

Additional information concerning the offer of additional shares by the Bank may be obtained from any of the undersigned.

Wood, Gundy & Company Limited	Harris & Partners Limited	Burns Bros. & Denton Limited
A. E. Ames & Co. Limited	Dominion Securities Corpn. Limited	Gairdner & Company Limited
Royal Securities Corporation Limited	Nesbitt, Thomson and Company, Limited	Greenshields & Co Inc
McLeod, Young, Weir & Company Limited	W. C. Pitfield & Company, Limited	Bell, Gouinlock & Company, Limited
James Richardson & Sons	Midland Securities Corpn. Limited	Mills, Spence & Co., Limited
Ross, Knowles & Co. Ltd.	Cochran, Murray & Co. Limited	Equitable Securities Canada Limited
Eastern Securities Company Limited	F. J. Brennan & Company Limited	Cornell, MacGillivray Limited
Stanbury & Company Limited	Scotia Bond Company, Limited	Winslow & Winslow Limited
Osler, Hammond & Nanton Limited	Pemberton Securities Limited	The Western City Company Limited
Matthews & Company Limited	Dawson, Hannaford Limited	G. E. Leslie & Co.
Bankers Bond Corporation Limited	Kitcat & Aitken	Govett, Sons & Co.
Gardiner, Annett Limited	Collier, Norris & Quinlan Limited	Wills, Bickle & Co.
R. A. Daly & Company Limited	L. G. Beaubien & Co. Limited	J. T. Gendron Inc.
Graham & Co.	Peter D. Curry & Co. Ltd.	Moss, Lawson & Co. Limited
Wisener and Company Limited	E. M. Saunders Limited	Anderson & Company Limited
Gardiner, Wardrop, McBride Limited	Fry & Company Limited	Davidson & Company
Doherty Roadhouse & Co.	Houston, Willoughby & Company Limited	Tanner & Co. Limited
Sydie, Sutherland & Driscoll Ltd.	H. B. Housser & Co.	Macrae & Company
Norman R. Whittall Limited	Goulding, Rose & Company Limited	H. J. Bird & Company Limited
Thomas B. Read Company Ltd.	J. H. Crang & Co.	Carlile & McCarthy Ltd.
Walwyn, Fisher & Co.	Molson Securities Limited	G. H. Rennie & Co. Limited
D. M. Duggan Investments Limited	Flemming & Company	John Graham & Company Limited
	R. D. Steers and Company	

Bank Staff Changes

Toronto-Dominion:

R. G. PINKERTON, attached to the asst. gen. mgr.'s dept., western division, Winnipeg, to be manager, River & Osborne, Winnipeg.

D. A. COLLIER, attached to the asst. gen. mgr.'s dept., Montreal, to be eastern premises supervisor.

A. F. EDMUNDS, manager, 7 East Main St., Welland, Ont., to be manager, Gananoque, Ont.

M. J. RICHARDSON, asst. manager, 106 Sparks St., Ottawa, to be manager, Prescott, Ont.

B. A. HARVIE, second assistant manager, St. James & McGill Sts., Montreal, to be manager, Laird Blvd. & Canora Rd., Mount Royal, Que.

G. G. O'KELLY, second assistant manager, 240 St. James St., Montreal, to be second assistant manager, St. James & McGill Sts., Montreal.

M. N. MacIVER, accountant, Preeceville, Sask., to be manager, Mayerthorpe, Alta.

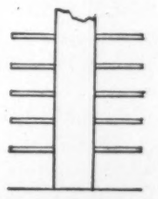
R. A. HAUSER, accountant, Selkirk, Man., to be accountant, Academy Rd. & Niagara, Winnipeg.

G. H. GRIFFITHS, accountant, Academy Rd., Winnipeg, to be accountant, Selkirk, Man.

J. E. STANNARD, accountant, Lodgeville, Sask., to be accountant, Nellburg, Sask.

W. F. A. HINDLE, accountant, Petrolia, Ont., to be accountant, Danforth & Dewhurst, Toronto.

Model of new B.C. Electric office building now under construction in Vancouver, under the personal direction of T. Ingledow, vice-president and executive engineer. Mechanical Consultant—D. W. Thomson; Electrical Consultant—M. Thomas; Structural Consultant—O. Safir; Architects—Thompson, Berwick and Pratt.



Diagramatic sketch showing central core and cantilever floors.

LOOK TO THE ENGINEER

He is responsible for the operational equipment which may represent half the investment in a modern building.

Imposing, bold and imaginative in concept—these are the striking things you see in the model of a new building. And inside, when the building is complete, what do you find? All the things it takes to make a building functional.

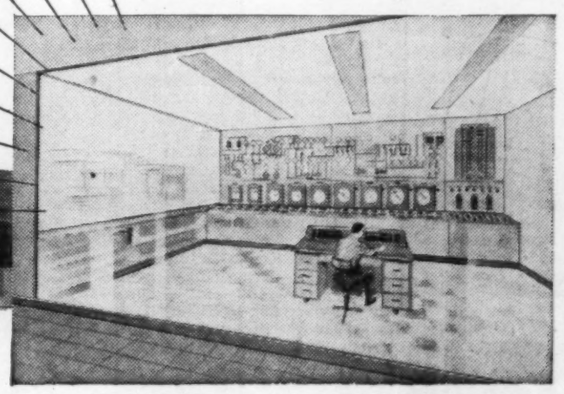
Take the new British Columbia Electric Company Office Building now under construction in Vancouver. It is being built around a diamond-shaped central core from which the floors will be cantilevered to eliminate internal columns and provide windows for all offices without the use of courts. Inside the core will be the service and equipment areas—elevators, lavatories, storage space. Wiring by the hundreds of miles. Plumbing and fixtures. Duct work for heating, ventilating, air conditioning. In the basement, exposed to public view, is an electronic control centre for the heating and air conditioning system.

In any large building, the cost of items such as these may well come to more than half the total cost of the building. And the man responsible for them all is the engineer. Drawing on his knowledge, his skills, his science, he gives life to a building by giving it the service that makes it a pleasant place in which to work, to visit, to relax or to be entertained.

In the complexities of modern building, the engineer is many men. He is, among other things, the specialist in indoor comfort—the man who sees that comfort is automatic for the occupants . . . economical for management. His is an important job. And to help him do it better, Honeywell develops and manufactures precise automatic controls for heating, ventilating, air conditioning and humidity control.

These controls help protect the investment in the operational equipment of a modern building. Because Honeywell has been the unchallenged leader in developing these controls for more than 70 years, the engineer—and you—can depend on them.

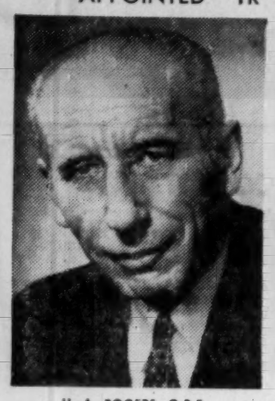
Minneapolis-Honeywell Regulator Company, Ltd.



Nerve centre of the heating and air conditioning system in the new B.C. Electric office building is this electronic master control centre from which one man will control nearly 100 operating points in a number of equipment rooms throughout the building. Patterned after the giant control centres in modern chemical and refining plants, the system applies the principles of electronic automation to human comfort and efficiency.

ANNOUNCEMENT

APPOINTED "TR" SALES MANAGER



H. A. ROGERS, O.B.E.

JAMES TURPIE

H. A. Rogers, OBE, President of TR Services Limited and Canadian Telephone Rentals Limited, has announced the appointment of James Turpie as Sales Manager of the "TR" Company, effective June 1st, 1956. Prior to joining the sales organization of TR Services Limited 2½ years ago, Mr. Turpie was associated with the graphic arts industries in a sales capacity.

Coincident with the above announcement, Mr. Rogers stated that the continued development and growth of TR Services (in the Metropolitan Toronto area alone) in the Time Control, Broadcasting and Internal Telephone Communications fields has made necessary the acquisition of a much larger building to provide the now urgently required additional accommodation for office and engineering staffs, and increased warehouse facilities. An announcement of the anticipated early move to the new address will be made shortly.

We are pleased to announce
the admission as general partners
effective June 1st, 1956
of

G. M. SAURIOL
Montreal

B. T. McCORMACK
New York

J. R. TIMMINS & CO.

Members
New York Stock Exchange
American Stock Exchange (Associate)
Toronto Stock Exchange
Canadian Stock Exchange
The Investment Dealers Association of Canada

360 ST. JAMES ST. W. MONTREAL, P.Q.
61 Broadway NEW YORK
372 Bay St. TORONTO

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TRY TO AVOID TAYLOR SAFES

1. Taylor Burglar Safes contain drill resistant chrome steel.
2. Close fitting door and jambs impede explosive attack.
3. Steel lock spindles can't be driven in, pulled out or drilled.
4. Stethoscopes and ultra-sensitive fingers alone won't open a Taylor-made combination lock.
5. Burglars who concentrate on Taylor Safes don't have a very high income.

Write today to 145 Front St. E., Toronto, Ontario, for your free copy of the booklet, "How to Choose a Safe". Taylor Safes are priced from $140.00. Terms available.

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J. & J. TAYLOR LIMITED
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500 Royal Bank Building, Winnipeg, Man.
Prospecting and Development
The Company solicits the submission of Properties for Examination and Development
Field Office: FLIN FLON, Manitoba

Hudson Bay
Mining and Smelting
Co., Limited

Producers of
Copper - Zinc - Gold
Silver - Cadmium
Selenium and Tellurium
•
Mine and Metallurgical Plants
FLIN FLON
MANITOBA
•
Hydro Electric Plants
ISLAND FALLS
SASKATCHEWAN

Hudson Bay Mining and Smelting Co., Limited
Incorporated Under The Dominion Companies Act.
December 27, 1927.

Canadians Really Book Bugs Reports Paper-Back Pioneer

By LYN HARRINGTON

With two shops on Ste. Catherine St. in Montreal and one can Sparks St., Ottawa, Louis Melzack figures he sells more books than anyone else in Canada.

And nothing annoys him more than the comment, "Nobody reads in Canada."

As vice-president of the Canadian Retail Booksellers Association, he is in a position to prove that Canadians are buying more books than ever before. His stores frequently sell more than 1,500 books a day.

Melzack is making history with his bookshops, the first in the world, he believes, to carry only paperbacks. His titles conflict very little with those of the corner druggist. A few westerns and better-type mysteries find themselves on his shelves, but none of the hard-boiled school of writing.

He was first in Canada to handle Dover Books, paperbacks running up to $3 in price, dealing with higher mathematics.

"You need to be a Ph.D. to read them," he says. We started cautiously with 80 titles. Now we order 1,000 at a time."

Melzack opened his first bookshop in 1938, after a 10-year apprenticeship with secondhand books and magazines. In March, 1955, he opened the first wholly paperback bookshop under the management of his wife Rose. "Classic Little Books" was a success from the beginning, stressing titles on college reading courses and better fiction.

Paperbacks Only

"Se we decided to branch out, and Ottawa was a natural," Rose Melzack explains. "It has three colleges, which means students needing plenty of low-cost books. It has an educated citizenry, and civil employees never can afford all the books they'd like to own. For its population, Ottawa has few bookstores. So we felt there was opportunity for one that handled paperbacks exclusively."

The Ottawa branch opened March, 1956, with 2,800 titles, and a stock of 180,000 volumes. The narrow store, nine ft. wide by 50 ft. long, was jammed with 600 customers on opening day, and they've been coming back in substantial numbers ever since.

It is commonplace to see customers browsing along the shelves, half a dozen books already in hand. As one professor phrased it, "Coming in here is like eating too much good food, only the resulting ache is worth it."

For all his unorthodox tactics, Louis Melzack is a bookseller in the old tradition—one who reads his stock, buys books for his own library, and takes time to discuss literature with his clients. He got that habit long ago, when he had to leave school at 12 to take a job. Melzack, Sr., a Polish immigrant, could scarcely make ends meet in the secondhand bookshop on Bleury St.

"During the depression, we kept open late at night, just hoping that someone might want something. I worked on another job by day, and we kept open every night.

"For years I got 50c a week from the bookshop—except the week we paid the rent. But I had time to read.

"Students used to drop around, and I'd follow their courses. Stephen Leacock got into the habit of coming in a couple of times a week, and he steered my reading quite a bit."

Better Mind

One result was a better-furnished mind than a college course could give him. Another was a knowledge of old books that makes him a valued member of the Antiquarian Booksellers Association.

Once he was called in to evaluate the library left behind by a wealthy Montreal financier. Shocked, he valued it at an optimum of $200.

"The poor man had starved his mind and soul, for all his wealth!"

Louis Melzack is also a collector of Oriental art, and a connoisseur of paintings. Because he knows and loves art books, he sells them in greater quantity than any other bookseller in Canada—and 90% go to cultured French-Canadians.

For example, not long ago he bought 100 copies of the massive two-volume Asian Art, at $22.50 per set. Only four sets remain. A visiting New Yorker found it hard to credit 75 sales of a $15 book on Picasso in the week before Christmas.

"You couldn't do it anywhere else in Canada," he admits. "The English and Jewish population in Montreal are beginning to get interested in art, now that culture has become respectable."

Melzack's first store carries mostly nonfiction, a little outstanding fiction, a few children's books, almost all hard-covered. He located in downtown Montreal near several other bookstores, a device which brings bookbuyers into one area. Later, he opened the first "Classic Little Bookshop" directly across the street.

Few of the titles in the two stores are duplicates, although Melzack has been known to discourage a student buying a hardback, by suggesting he could get it cheaper across the street. Or he'll permit a student to buy a $15 art book in installments of $1 a week. He believes such treatment turns casual customers into permanent bookbuyers.

Sloping Shelves

In both paperback stores, the entire walls are filled with sloped shelves, to keep the books from tumbling, and to display even the bottom rows adequately. Books are arranged by publisher, so that a clerk can instantly locate any specific title. Glass fronting and good lighting provide a 24-hour display. It has proved the best type of advertising.

A bit of psychology was expressed by Miss Elsie Grace, manager of the Ottawa store, and formerly book buyer for Morgan's:

"We never approach the customer. He can browse as long as he likes, and we help him when he needs it. Self-service in bookbuying is a great satisfaction to the clientele."

It also means that Classics gets along with a small staff. Each of the three stores has a manager, one full-time assistant, one part-time. Hours are 10 a.m. to 6 p.m., with one late evening a week.

The Montreal paperback shop does not carry French titles, with an excellent French bookshop nearby. The Ottawa shop carries a large selection for the benefit of Ottawa's bilingual population.

September and October are heaviest bookbuying months in paperbacks, November and December in Melzack's original store. Heavy demand also comes in May, when college students stock up on paperback reading for summer in forestry or mining camps. If they run short, a letter to the shop fills further orders.

Now 40, Melzack has the satisfaction of seeing sons Julian, 15, and Brian, 13, equally enthusiastic about books and music.

"I couldn't wish any better future for them than to become booksellers, too. Canadians are hungry for good books they can afford, and as for further expansion, why there's all the wide West, when the time comes."

Ellis Named to Safety League Job

Ontario Safety League has appointed its first full-time director of commercial vehicle safety. He is F. H. Ellis, a veteran traffic safety expert.

Ellis will be responsible for assisting members of the Commercial Vehicle Section of the Safety League in their safety programs.

His background: Five years as safety director for Ontario with the Canadian Army, with the rank of major; successful completion of numerous courses in both commercial vehicle and industrial safety; presently chairman of the National Truck Roadeo Committee; Truck Roadeo Committee member for five years.

The Bell Telephone Company of Canada

Careful attention given orders to
Buy or Sell
Rights and Shares

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Cochran, Murray & Hay
Member, The Toronto Stock Exchange
Dominion Bank Bldg., Toronto, Telephone Em. 3-9161
Hamilton Kitchener London

Company Reports

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

Gas and Oil

CANADIAN PROPANE LTD., Edmonton, consolidated net profit for the year ended March 31, 1956 rose by 117% to $90,020 from $41,419 the previous year.

Company increased its sales volume 42% despite a sharp drop in the cash earnings of the farm community generally; reports President W. F. Davey.

Total capital expenditures for new plants office equipment, buildings and land amounted to $133,263. Increased propane sales required additional $111,461 expenditures for automotive equipment and $247,752 for propane storage tanks. Company redeemed $40,000 debentures.

Company expects growing sales to continue. This together with greater efficiency and economy should produce a substantially larger profit in future, it says.

CONSOLIDATED INCOME ACCOUNT Year ended Dec. 31:	1955	1954
Sales	$1,897,133	$1,322,947
Net earnings	325,168	159,644
Add: Invest. inc.	952	.....
Less: Deprec.	115,529	77,058
Interest	27,831	14,256
Disc. & prem. w/o	7,105	3,217
Inc. tax	69,901	15,823
Min. int.	15,734	7,871
Net profit & surp. for year	**90,020**	**41,419**
Times Interest Earned:		
Before deprec.	11.72	11.20
After deprec.	7.57	5.79
Earnings per Share and Dividend Record:		
Common, Earned	$0.16	$0.07
None paid.		

CONDENSED CONSOL. BALANCE SHEET As at Dec. 31:	1955	1954
Cash	86,526	$51,715
Accts. etc. rec., less res.	410,331	261,970
Invent.	636,400	401,621
Total curr. assets	1,133,257	715,306
Prep. exps.†	6,637	5,810
Invests.	46,205	55,212
Misc. assets	41,436	51,843
Fixed assets*	959,766	382,819
Goodwill	73,798	88,870
Total assets	2,283,099	1,499,860
Due bank	300,576	.....
S.f. install. due	40,000	40,000
Accts. etc. pay.	439,948	126,763
Total curr. liabs.	779,524	176,763
Def. rental	53,456	19,665
Sales agreemts.	.....	.....
Funded debt	420,000	460,000
Min. int. in subs.	258,531	151,703
Capital stock	564,530	564,530
Capital surplus	.....	.....
Earned surplus	207,058	127,196
*After deprec. of	232,241	146,286

‡Applied to amort. debenture discount, etc.
†Included in current assets on company's report.

Working capital	373,733	538,543

COBALT CONSOLIDATED realized a net profit of $64,046 before deferred development write-off in 1955 against $208,844 a year earlier.

Tonnage of ore milled declined from 97,251 tons to 75,932 tons. Cobalt recovery was lower at 624,355 lb. (669,396 lb.) and silver output dropped by over 50% to 292,663 oz. (708,656 oz.).

"Sale of cobalt which fluctuated during the year, causing a certain amount of disruption to the mining program, has been established on a firm basis for the ensuing year," Andrew Robertson, managing director, reports. "The improved market, together with the increased milling capacity which has just been installed, brighten the prospect for 1956 earnings. In addition there are good prospects of production of high-grade ore from the Christopher lease and the Foster mine."

At the end of the year 19,000 tons of ore had been accumulated in surface stockpiles.

Close attention is reported being paid to mining developments in the Temagami area where ground has been acquired and to other areas adjacent to Cobalt, with copper and nickel deposits in mind.

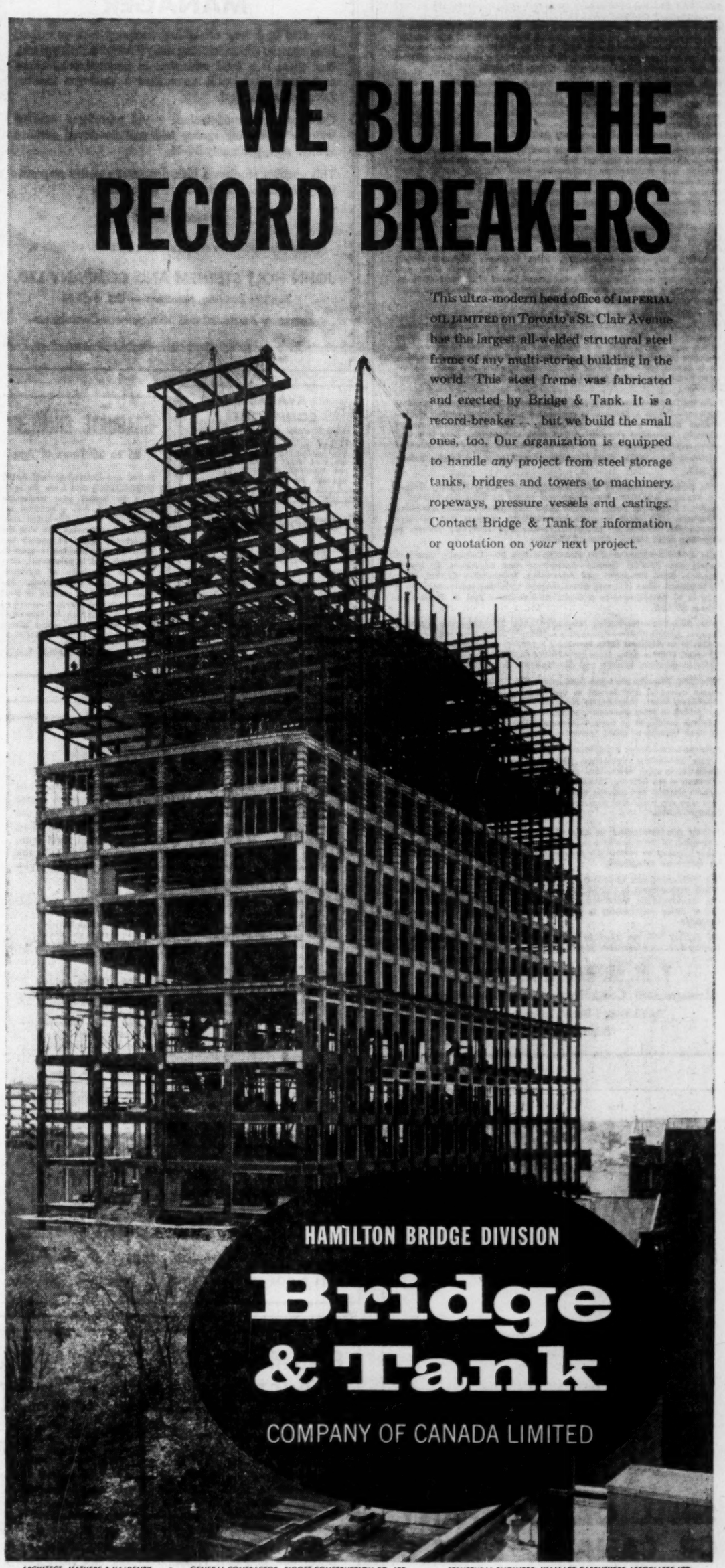
INCOME ACCOUNT Years Ended Dec. 31:	1955	1953
Metal recovery	$1,080,533‡	$1,401,181
Less: Mktg. exp.	42,801	101,029
Royalties	2,251	11,306
Mill & dev. exp.	672,060	749,434
Admin. & gen. exp.	184,562	232,317
Shut-down exp.	2,103	863
Depreciation	112,810	97,388
Net profit & surp.	**64,046**	**208,844**
Earned per Share	$0.02	$0.07

‡Excludes $15,809 production from development ore from Cobalt Lake group.

CONDENSED BALANCE SHEET As at Dec. 31:	1955	1954
Cash	$123,377	$197,351
Accts., etc., rec., less res.	211,060	406,360
Mortgage rec.	.....	70,000
Ore	90,057	71,250
Supplies (cost)	63,906	57,844
Total curr. assets	488,400	802,805
Prepaid expenses§	9,042	12,362
Investments	143,204	152,989
Def. dev. exp.	2,744,928	2,499,374
Other def. exp.	103,702	110,811
Mining cls. & props.‡	3,106,817	3,011,118
Plant, equip., etc.‡	1,438,508	1,459,200
Total assets	8,041,601	8,048,659
Due bank	.....	113,436
Accts., etc., pay.	109,943	167,611
Tax predecessor co.	13,046	.....
Total curr. liabs.	122,989	281,047
Capital stock	2,979,026	2,979,026
Capital surplus	4,373,992	4,373,992
Earned surplus	565,594	514,594
‡After deprec. of	401,456	227,127
‡After reserve of	4,602,084	4,602,084

§Incl. in curr. assets in co.'s report.

Working capital	365,411	521,758



CAREERS

This is Canada's national meeting place for executives who have positions to offer, and for those who have ability to offer

An employers' problem of MANPOWER RESEARCH

Are you seeking well above average men for your organization? If so, we present for your consideration a partial list of men registered with us, whose history and record of performance and achievement warrant your close scrutiny. These men for legitimate reasons are seeking bigger jobs with wider opportunities.

The following candidates for placement with you have been carefully screened and selected for your consideration. You would be well advised to interview these men if your future plans require additional proven executives or executive potential.

Folio 564-106—Secretary Treasurer—Age 44—Senior Accounting Degree—Progressive experience as Auditor, Cost Accountant, General Accountant, Assistant Controller—Secretary Treasurer—Director and Executive Committee Member of a large Metals Manufacturing Company. A very able executive with a sound Accounting and Financial background. **Income $18,000.**

Folio 564-151—Secretary Treasurer—Age 44, Bachelor of Commerce—Passed Intermediate Chartered Accountants exams—Progressive experience as Auditor, Cost Accountant, Office Manager, Controller and Secretary Treasurer—Mining development. Metal parts manufacturing—Paper converter products—Has acted as General Manager Paper Converter field in the U.S.A. **Salary $10,000.**

Folio 563-53—Public Relations Manager—Age 34—University equivalent education. This young man has an excellent record in the newspaper, public relations and public information field. He has an excellent journalistic background, and his present position involves internal and external public relations administration with a large Canadian corporation with national and provincial problems. He is ready for a Senior Management position in the Public Relations field. **Salary $12,000.**

Folio 563-49—Works Manager or Manager Manufacturing Services—Age 40—Graduate Mechanical Engineer—Progressive experience as Production Engineer, Production Manager, Factory Manager—Proven achievement and background in Industrial Engineering, Methods, Production Control, Tooling, Cost Reduction, etc.—Capable of development to General Manager's position. **Salary $12,000.**

Folio 564-56—Marketing Manager and/or Manager of Engineering—Age 44—Graduate Electrical Engineer—Progressive experience on construction and maintenance engineering—Sales Engineer Audio Sound Equipment—Manager of Electronic Sales—Manager of Engineering Administration large engineering project involving supervision of 150 engineers and technicians. Proven record in Engineering, Sales and Administration. **Salary $10,000.**

Folio 564-75—Sales Manager or Branch Manager—Age 36, Graduate Electrical Engineer, post graduate studies toward Master degree Commerce and Finance—Progressive experience in Construction, Plant Engineering, Apparatus application engineering, Sales Engineer, Assistant Branch Manager engineered products. This candidate's test results show well above average executive qualities and proven record of achievement to be Merchandising Manager, Marketing Manager or Sales Manager of Engineered or Technical Products. **Salary $9,000.**

Folio 564-80—Potential General Manager—Age 34—Graduate Electrical Engineer (Communications option)—Progressive experience in Consumer product design, engineering administration, production, sales liaison and service. Here is a young man who has well above average executive potential with strong supervisory and administrative qualities. He is determined to be Senior Management one day and seeks a challenge in an intermediate sized industry under a strong executive. **Salary $9,000.**

Folio 565-163—Merchandise Manager—Age 33—Graduate Electrical Engineer—Proven experience in engineered and technical product field—product design, production engineering, market development, market research, application engineering and sales engineering. Here is a well above average young man who can be developed to and is a potential candidate for a Senior Sales Management position in the future. **Salary $7,500.**

Folio 564-129—General Sales Manager—Age 37—University Graduate Business Administration—Progressive record as Sales Representative, Assistant Director of Sales, General Sales Manager—National Marketing experience from coast to coast manufacturing accounts and detailing through the medium of automotive, paper and stationery jobbers to respective retail trades. **Salary $17,000.**

Folio 564-72—Merchandise Manager—Age 36—University Graduate—Arts and Political Science—Background and experience in Market Research, Sales Promotion and Advertising, Merchandise Control, Sales Management. Here is a well above average ambitious young man who is capable of development to a Senior Administrative post in Distribution. **Salary $9,600.**

Folio 565-176—Marketing Manager—Age 33—University graduate Business Administration—Progressive experience in the food and beverage industries as Assistant Sales Promotion Manager, Assistant Merchandising Manager, Ontario Sales Manager—Proven record in merchandising, sales, salesman selection, training and development. **Salary $9,000.**

Folio 564-74—Merchandise Manager—Age 38—Senior Matriculant—Proven record of achievement in the Food Industry as Salesman, Sales Supervisor, Buyer, Merchandise Manager and Regional Manager—Excellent record in sales promotion, salesmen development and supervision—Excellent candidate as Buyer—Merchandising Manager—Sales Manager for Food Industry or allied operations. **Salary $8,000.**

Folio 564-76—Sales Supervisor and/or Senior Sales Representative—Age 36—Senior Matriculant. Here is a successful salesman who is ready for a sales supervisory position. He has a proven record as a salesman in the Grocery, Tobacco, Medical and Drug trades. An excellent man to develop and enlarge new account business. Well above average man who can make and hold sales through his driving personality traits. **Salary $6,500.**

If you are interested in any of these men, interviews will be arranged, in strict confidence, to suit your convenience. If you have other present or future job openings to be filled, please contact us by letter or telephone.

We invite, also, any executives or professional men who are available for a new appointment in Administration, Finance and Accounting, Engineering, Manufacturing, Marketing, Merchandising, Sales Promotion, Advertising or Sales Management to register with us for current or future job openings.

All replies will be kept in strict confidence. No registration or testing fee, as placement fee is paid by employer.

T. M. MORAN & ASSOCIATES
Management Consultants — Executive Placement
1393 Yonge Street, Toronto 7, Ontario
Phone WA. 1-6907

SHELL

CAREERS IN FINANCE

Effective financial supervision is vital to our immediate expansion plans.

If your education or experience qualifies you to assume responsibility in this field—we want to hear from you.

WRITE TO:

SHELL OIL COMPANY OF CANADA, LIMITED
BOX 220, ADELAIDE STREET P.O.
TORONTO
Attention Manager, Personnel and Industrial Relations

MANAGEMENT CONSULTANTS

SENIOR CONSULTANTS REQUIRED FOR EXPANDING PROFESSIONAL DEPARTMENT

We require Chartered Accountants or equivalent with a minimum of 3 years' experience in industry or management consulting. Applicants should be in their 30's, have good personalities and be able to work with top management and staff.

The work requires a sound knowledge of accounting, costing and systems and procedures. Punched card experience particularly valuable.

Department located in Toronto with travelling across Canada. Remuneration and prospects excellent. Reply in confidence enclosing a recent photograph to

Box 692, The Financial Post, Toronto

ADVERTISING MANAGER

Required by a long established company with operations from coast to coast including several manufacturing plants. Our client is a large advertiser in national publications and direct mail, with an extensive catalogue section. Location is Montreal.

Qualifications should include broad experience working with an advertising agency and well developed creative ability. Age, preferably 30-45.

This opening requires a high degree of creative responsibility and offers commensurate opportunity.

SALARY OPEN

Enquiries invited in confidence . . . without obligation

JOHN HOLT STETHEM AND COMPANY LTD.
Sun Life Building, Montreal — UN. 6-5111
Executive Personnel and Management Consultants

AVAILABLE COMPTROLLER

Able financial executive, 47, capable of carrying out operating policies or negotiations. Responsible and varied background. Present post, chief accounting official and company secretary.

Box 666, The Financial Post, Toronto

POSITION AVAILABLE

Correspondence is invited from persons holding a University degree and a C.A. degree for a **position on the Faculty of the School of Commerce, University of British Columbia,** Vancouver 8, B.C. Salary and status will depend on previous experience.

Address all correspondence to the Director of the School of Commerce.

GRADUATE ENGINEER

25 to 35 Years of Age

If you are inclined toward SALES ENGINEERING and have the initiative to further your profession and position, we, a national organization in the fabricated steel industry can provide you with the opportunity in an expanding key industry. This position is open in Winnipeg and is permanent, having the possibility of advancement to managerial levels. Applications will be treated in strict confidence and personal interviews arranged. Selection for interviews to be made from letters giving full particulars of your experience.

Box 677, The Financial Post, Toronto

ATTENTION STEEL MEN

One of Canada's major fabricators of structural steel has asked us to find experienced men to fill several senior and immediate openings in their organization. These are **NEW** positions created by the demands of an expanding organization. If you are a seasoned structural steel man, and if your ambitions and qualifications coincide with the following job descriptions, please contact us immediately—in the **strictest confidence, of course.**

PLANT SUPERINTENDENT — $12,000-$15,000 plus bonus. Here is a challenging opportunity for a hard-working Supervisor who can get the work out. A thorough knowledge of all phases of plant operations in a structural steel fabricating plant is essential. Responsibilities will include production planning, work scheduling and the direction of a large labour force.

ERECTION SUPERINTENDENT—$9,000-$10,000 plus bonus. This position requires a top-flight practical man who has come up through the ranks and who knows from his own personal experience the problems involved in bridge and building erection. He will be entirely responsible for all erection schedules and on-the-spot supervision of men and materials at the various sites of the company's major construction projects.

CHIEF DRAUGHTSMAN—$9,000-$10,000 plus bonus. A proven record in structural steel design, knowledge of the most economical methods of detailing and checking and the ability to supervise a good sized drawing office will qualify a real producer for this important position.

Salaries quoted are starting figures only. Further increases will be forthcoming for the successful appointees who produce results. Call or write today on these important openings—all fees paid by our employer-client.

J. B. FRASER
EXECUTIVE PLACEMENT
CONSULTANTS LIMITED
Established 1936
321 BLOOR ST. EAST • TORONTO, CANADA

FORD MOTOR COMPANY OF CANADA
MARKET RESEARCH ANALYST

There is an opening in our Toronto Head Office for an Analyst to plan and evaluate production schedules in relation to market trends and studies. Applications are invited from University graduates, age 28-35, who have an interest in this type of work, and possess the ability to present their findings in report and discussion form. Preference will be given to applicants with analytical experience in automotive, transportation, appliance or related industries.

Company paid benefits include Medical, Hospitalization and Group Life Insurance, Pension Plan and Sick Leave Policy. Applicants are requested to write, stating age, experience, educational background, salary desired and other pertinent qualifications, to:

Manager, Office Services,
Ford Motor Company of Canada, Limited
120 Bloor Street East, Toronto, Ontario

SALES REPRESENTATIVE WANTED

Old established manufacturer of a wide range of Organic chemicals has opening for man to cover Quebec and Maritime Provinces.

The man we are looking for must have proven organizing ability, must be able to work with a minimum of supervision and must be well connected in one or more of the following industries: Paper, Rubber, Oil Refining, Textiles, Paint, Leather.

Apply in first instance giving all particulars as to experience, earlier connections, salary expected, membership in professional organizations, etc.

Interviews will start approximately June 25th. Our own employees have been notified of this ad.

BOX 649, THE FINANCIAL POST, TORONTO

CHARTERED ACCOUNTANT

REQUIRED IN TORONTO

25-30 years old, graduate with at least 3 years' experience as senior professional or industrial accountant. After training period, will be expected to assume responsibility for an accounting department. Excellent opportunity in expanding company.

Written applications only with photograph to:

TRANS-CANADA PIPE LINES LIMITED
160 Bloor St. East, Toronto 5

EXECUTIVE ASSISTANT AVAILABLE

Canadian, 39, presently employed as branch manager of national company, seeks position of assistant to top executive or general manager. Excellent record of achievement. Background embraces sales, purchasing, accounting and administration. Good health and appearance. Highest references. Located Toronto.

BOX 673, THE FINANCIAL POST, TORONTO

INDUSTRIAL SUPERVISOR AVAILABLE

Mature man, supervisory experience in plant maintenance, purchasing, industrial relations, administration of wage and salary evaluation, presently employed, seeks association with progressive company.

Box 671, The Financial Post, Toronto.

SUPERVISOR AVAILABLE

Qualified to handle Male and Female Personnel. Ten years' experience in light manufacturing. Well versed in all phases of Production work. Training in 'Human Relations' and Business Administration.

Box 680, The Financial Post, Toronto, Ont.

ENGINEER WANTED TO DESIGN TANKS

Pressure Vessels, etc. used in Food Processing and Chemical Industry. Also to superintend their production. Research or development experience desirable. Salary according to age and experience. Western Ontario. Apply Box 689, The Financial Post, Toronto.

INDUSTRIAL ENGINEERS

A major Canadian manufacturing company requires University graduate engineers experienced in industrial engineering or plant operations. Special manufacturing and plant engineering studies are the salient features of this position, which provides an excellent opportunity for advancement. Preference will be given to applicants age 25-40 with the necessary qualifications.

Company paid benefits include medical, hospitalization and group life insurance plans, as well as sick leave policy and pension plan.

Please reply by letter giving age, education, business experience and salary desired to

Box No. 688, The Financial Post, Toronto

TOP-MANAGEMENT EXECUTIVE AVAILABLE

Widely diversified sales and management experience qualifies this unusually capable, young executive for any position requiring depth analysis, accurate forecasting, prompt decisions and energetic follow-through. Experience covers operation of sales research, sales representation, training and management of sales and office personnel.

Free to travel. Intimately knows Canadian, American and export operations. Anxious to apply his broad experience, energy and enthusiasm to a life-time association with a progressive organization.

Write Box 684, The Financial Post, Toronto

EXECUTIVE AVAILABLE

With 15 years experience executive positions in companies of diversified operations. Machine work, fabricating, foundry. Successful background of reorganizing and cost reduction. Used to responsibility at policy decision level in all phases of operations. Seeks position where extreme activity, sound judgment and ability to get things done would be valued.

Box 682, The Financial Post, Toronto

PHOTO SPECIALIST REQUIRED
— FOR —
PRODUCT MANAGER—LAMP SALES

Canadian Westinghouse Company, Hamilton, Ontario, offers an outstanding opportunity for a man with a solid business background in marketing-distribution, merchandising and sales promotion. Experience in the photographic trade is necessary.

Duties will involve preparation of market reports, development of sales material, programs and speaking assignments.

Westinghouse offers excellent benefit plans, top salaries, and opportunity for personal development. Write outlining experience, education etc. to

Salaried Employment & Placement,
Canadian Westinghouse Co. Ltd.
Milton Avenue, Hamilton

SENIOR ACCOUNTANT

A very large Canadian corporation with operations from coast to coast, has an unusually attractive position for a qualified accountant in the 30-35 age group.

Ideally, the man sought should be presently employed either as a top senior or supervisor in a professional accounting firm where he has charge of the financial examinations of important industrial organizations or, having qualified earlier as a chartered accountant, has had several additional years experience as an administrative accountant in industry.

Initially, he will be assigned as senior staff assistant to a chief accounting official, which will provide for orientation and will require the execution of special financial investigations and studies. After an appropriate period he will be expected to assume responsibility for the direct supervision of a large accounting and clerical staff.

The starting salary for this position is above the average and the opportunities for advancement are exceptional. Candidates who consider that they meet the requirements of the position are requested to give full information in their applications, which will be received in confidence and promptly acknowledged.

BOX 659, THE FINANCIAL POST, TORONTO

MERCHANDISING MANAGER AVAILABLE

Broad experience in all aspects of merchandising, including Sales and Advertising, Buying and Production Planning in a small company.

Desires to join sales organization of expanding company with greater opportunity for advancement. Age 37 — No dependents.

BOX 651, THE FINANCIAL POST, TORONTO

FINANCIAL EXECUTIVE AVAILABLE

Chartered Accountant with 15 years experience in senior capacity in manufacturing and construction industries. Canadian-born university graduate in Commerce. Thorough knowledge of Canadian business practise and marketing areas. Wide experience in accounting, credit, sales financing and related business activities. Interested in situation requiring such knowledge and administrative ability. Presently employed but will be available shortly.

BOX 644, THE FINANCIAL POST, TORONTO.

SALES REPRESENTATIVE INDUSTRIAL FINISHES

One of the largest nationally known manufacturers of paints and industrial finishes requires sales representative for an already established territory. Knowledge of production line finishes and proven sales ability essential. Successful applicant will be required to live on this territory in medium sized Ontario city. Excellent salary in line with ability plus incentive commissions. Pension plan and accident and sickness benefits. Reply giving complete history and experience, all of which will be treated as confidential to

BOX 672, THE FINANCIAL POST, TORONTO

PRODUCTION SUPERVISOR AVAILABLE

Age 40, diversified experience including administration, supervision, project co-ordination, desires challenging position of responsibility with progressive organization. Solid background in manufacturing analysis; method analysis and control; equipment planning; plant layout; tool and die engineering and manufacture; basic knowledge of metal cutting, heat treating, and precision measurement. Preferred location within 25 mile radius of Toronto.

BOX 670, THE FINANCIAL POST, TORONTO.

EXECUTIVE ACCOUNTANT OR ASSISTANT COMPTROLLER
REQUIRED BY EXPANDING COMPANY WITH HEADQUARTERS IN MONTREAL

This man must be capable of co-ordinating the accounting organizations of the Manufacturing and Marketing Departments, of developing new techniques and writing instruction manuals, and of initiating cost studies and making practical recommendations for cost savings.

A recognized accounting degree desirable but industrial experience essential.

The future possibilities arising from this opportunity are limited only by the ability of the man himself. Our staff is aware of this advertisement.

All replies will be handled in strict confidence.

BOX 679, THE FINANCIAL POST, TORONTO

SALES MANAGER

A progressive and expanding electronics Company requires a Sales Manager. Its products are technically advanced and frequently custom built. No application will be considered from persons who do not feel confident that they can interpret ideas from customer's design engineers to the satisfaction of our research engineers; equally so, the person selected must be able to liaise confidently with our own engineers, write sound informative description of a particular equipment and describe it to our own sales force and to the customer. Emphasis will be placed on engineering knowledge rather than sales experience.

This post should appeal to an intelligent, well trained individual who wishes to stay in very close contact with advanced engineering and at the same time wants to move into the executive field. All applications will be treated in the strictest confidence; we hope our own staff will read this and apply. Replies should be marked "Personal" and addressed to the Managing Director,

BOX 676, THE FINANCIAL POST, TORONTO

MANUFACTURING ACCOUNTING ANALYSTS

A major Canadian manufacturing Company, with Head Office in Toronto, requires the services of several Manufacturing Accounting Analysts. These positions will involve the analysis of all phases of the company's manufacturing accounting policies and procedures, and the development of recommendations and programs for the improvement thereof. Successful applicants for these positions will have a university degree and at least several years of broad and intensive experience in the manufacturing accounting field, preferably in the metal fabrication industry. An extensive and thorough knowledge of manufacturing accounting principles and techniques is essential.

In applying for these positions please present a complete résumé of your age, family status, educational background, business experience and salary requirements to

Box 687, The Financial Post, Toronto

CLASSIFIED ADVERTISEMENTS

CLASSIFIED ADVERTISING RATES

Flat rate, per word 15c
Minimum charge $4.00

Each initial, figure or fraction, abbreviation and sign counts as one word. If a box number is desired the words, Box 100, The Financial Post, Toronto, count as six words. When replies are mailed to advertiser, 15 cents extra is charged. Closing date—Copy must be in Toronto office by Tuesday a.m. Classified advertising is strictly cash in advance.

Business Opportunities

FOUNDRY DESIRED. Would consider buying a foundry presently in operation. Cast iron and/or nickel and copper alloys. Please make offer to: Box 678, The Financial Post, Toronto.

POSITIONS WANTED

EXECUTIVE AVAILABLE

AGED 33, presently employed as Municipal Treasurer, desires position as Treasurer or Comptroller. Thirteen years Banking and four years Municipal experience. Extensive experience in treasury, budgets, statements, accounting, auditing and management. Broad knowledge of machine accounting. Box 674, The Financial Post, Toronto.

BUSINESS-MINDED VERSATILE young engineer with 5 years experience wishes to work way up to management level or part ownership of small or medium sized manufacturing concern. For résumé write Box 690, The Financial Post, Toronto.

PSYCHOLOGIST, wide experience, highest qualifications with 8-10 hours time available per week, desires opportunity with business organization in personnel selection, training evaluation, attitude surveys, counselling, etc. Box 683, The Financial Post, Toronto.

REGINA SALESMAN of proven ability, age 37, with present employer 8 years. Desires change as factory representative or salesman for some attractive line. Able to cover Western Provinces if necessary. Box 683, The Financial Post, Toronto.

EXECUTIVE ASSISTANT with drive and initiative, business background North America and Middle East, wishes challenging opportunity to sell to industry. Successful record in sales administration, promotion and analysis, with extensive formal sales training completed. Can accept responsibility and prepared to travel. Presently employed Toronto, 28. Excellent references. Box 681, The Financial Post, Toronto.

DISPLAY ADVERTISING RATES

$8.40 per col. inch per insertion, (60 cents per agate line, 14 lines constitute one inch). Closing date — Copy must be in Toronto Office by Tuesday a.m. Display advertising in this section payable in advance.

REAL ESTATE

A CANADA-WIDE MARKETPLACE FOR BUYERS AND SELLERS

commercial, industrial buildings and sites
leasebacks / rentals / management / business
investment properties / development / offices
exclusive homes / luxury apartments

ABOUT YOUR TAXES By VINCENT EGAN

Taxmen Get Second Look At "Nil" Assessments

OTTAWA (Staff) — When is an assessment not an assessment?

Chairman Fabio Monet of the Income Tax Appeal Board rapped the Department of National Revenue in a recent decision for improper use of the term, "Notice of Assessment" — and then dismissed a taxpayer's appeal against the so-called assessment.

The anonymous taxpayer in 1948 reported that he had received no taxable income the previous year. The Department mailed to him, on Feb. 2, 1949, a "Notice of Assesment" informing him that his net taxable income for 1947 had been determined at "Nil," and that he would soon receive a refund of the $158.40 deducted at the source as tax from his earnings of January, 1947.

It later developed that the taxpayer had received $25,000 in 1947. He considered this to be capital, which is not taxable, and therefore did not report it to the Department.

But on Aug. 31, 1955, National Revenue sent him a second Notice of Assessment for 1947, advising the taxpayer that he owed the Government $11,167.96 in income tax and interest.

The taxpayer appealed, saying that the 1955 assessment was null and void. Section 46 (4) of the Income Tax Act, he pointed out, required that the Department make any re-assessment or additional assessment within six years of the original assessment, unless there had been misrepresentment or fraud on the taxpayer's part.

Since there had been no allegation against him of fraud or misrepresentation, the taxpayer asked the Appeal Board to declare the 1955 assessment a nullity.

The Department of National Revenue's counsel, at the appeal hearing, contended that the 1955 assessment was not a re-assessment, but rather an original assessment, of the taxpayer's 1947 income.

The Department's counsel cited a recent decision of the Supreme Court of Canada, which ruled that a "nil assessment" received by Okalta Oils Ltd. was not an assessment.

In his decision, Appeal Board Chairman Fabio Monet wrote:

"Although this has no bearing on the issue, I cannot help saying that the document mailed to the appellant on Feb. 2, 1949, had been improperly called a "Notice of Assessment;" indeed how can there be a notice of assessment if there were no assessment in the first place?"

Effect of the Appeal Board's decision is to confirm the Department's right to dip back into the past indefinitely, and if advisable to demand a tax payment previously it had stated th was due.

Deluxe Russia Tour Costs $300

OTTAWA (Staff) — Canadians will soon be able to buy package tours of Russia. The USSR embassy has announced arrangements to sell the all-expense tours through a Toronto travel agency, Overseas Travel Ltd.

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—Advertisement—

The Man who became Disillusioned about Advertising

Once upon a time there was a businessman, named Horatio Toote, who was very fond of yachting. As he sat in his office one day, thinking about yachts and about ways of making money, he had a good idea! He would manufacture steam yachts — and make a fortune! "People like yachts," he said to his friends, "particularly steam ones."

Well, he set to work at once, building a nice factory and hiring expert workmen. In no time they were turning out the smartest steam yachts you ever saw, complete with striped awnings and brasswork that winked in the sun!

"Now to sell them," said Mr. Toote. "Advertising will do the trick, I'm sure, and I've just had a good idea about **that** too!" This was his clever plan: He would have his advertisements printed on the backs of streetcar transfers! After all, Mr. Toote reasoned, lots of people use streetcar transfers every day, they were bound to see his advertisement.

So without delay, he had an advertisement printed on the back of **thousands** of streetcar transfers. And a fine advertisement it was, you may be sure. It pointed out the many advantages of owning a Toote steam yacht and showed a picture of one at full speed, its deck crowded with fashionably dressed people.

But, in spite of all this, Mr. Toote got no orders for his yachts. You see, not everyone can afford a steam yacht of his own—and very, very few people ever look at the back of a streetcar transfer.

The result was that poor Mr. Toote lost all his money **and also his faith in advertising.** Of course, his friends were sorry for him, but that didn't really make up for his failure. **Moral:** The moral of this story is: Advertisers should be sure to put their advertisements where they will be **seen.** Globe and Mail readers **do** see — and read — the advertisements in The Globe and Mail, and the chances are better than average that they can afford the things they want.

LETTER FROM LONDON

By Adelphi

Once more the Queen's official birthday (which has no relation to her actual birthday) was celebrated this week in truly royal sunshine. The Brigade did its stuff on the Horse Guards Parade and Her Majesty, still looking wistfully girlish, received the salute on horseback.

Year after year there are letters to the press urging that all public spectacles and parades should be held on a Saturday so as not to hold up the week-day traffic. But tradition is harder to shift than Gibraltar.

It is on this official birthday that the Honours List is published. One of the most popular knighthoods this year was that conferred upon Len Hutton, the cricket captain of England. He is a professional, and a great sportsman as well. The Queen also awarded the O.B.E. to that pretty young woman Pat Smythe who has twice been officially proclaimed the sportswoman of the year. Miss Smythe is such a skilful rider that she seems able to float a horse over the highest jumps.

The title of "Dame" was bestowed upon the brilliant actress Peggy Ashcroft. The gentlemen of the press got nothing but crumbs. Northcliffe, Beaverbrook, Rothermere, Kemsley and Camrose were made peers in their time but it is very seldom that editors and working journalists are selected for the Queen's favor.

On the other hand politicians who have served the State with diligence are much favored. One is aware that there are stern democrats who believe that as all men are born free and equal they should remain so until the end of their days. But I cannot see Britain doing away with titles even under a Socialist Government.

Lois Marshall's Tremendous Success

I am glad to report that Toronto's Lois Marshall had a tremendous success with Sir Thomas Beecham's orchestra at the Festival Hall. It is a long time since a singer has had such a vociferous and affectionate reception. Sir Thomas is taking her to Paris to sing there with his orchestra and I do not doubt that she will repeat her London triumph.

In Parliament the much discussed private members' non-hanging Bill got through its committee stage without any weakening of the Tory break-away group which, by combining with the Socialists, has made possible the progress of the bill.

The mass circulation newspapers have bombarded the abolitionists with shot and shell. The Daily Express denounced the Leader of the Tory group as brazen, and public opinion is much of the same mind as the Beaver. Yet, although there are still one or two stages of the Bill to be completed, there is no doubt of its ultimate victory.

There is little chance of the House of Lords throwing it out as they did in 1948. Such an action, although undoubtedly expressing the majority feeling in the country, might well create a constitutional crisis. Even the most ardent hangers in the Commons would insist that the elected Commons must have the ultimate power over the non-elected Lords.

Noble Lords Seek Attendance Pay

Another reason why the peers do not want an open battle with the Commons is that their leader, the Marquis of Salisbury, wants to do a deal with the Lower House so that peers should receive attendance pay. At the present time they receive no remuneration.

Salisbury, of course, is the shrewdest politician in Britain and his influence behind the scenes is enormous. From the time when his ancestor insisted on the beheading of Mary Queen of Scots, the Cecils (the family name) have played an almost unbroken part in the political life of the country. In fact there was a time not so very long ago when the British Parliament was called "The Hotel Cecil."

Therefore it can be accepted that the abolitionists will carry the day. But if the experiment goes wrong and the murder rate increases there will be Tory heads rolling in the sand at the next general election.

"Automation" Strikes First Serious Blow

In the industrial sphere "automation" has struck its first serious blow. Standard Motor Co. at Coventry laid off 2,640 workers this week and state that three quarters of them will not be re-engaged.

It is easy enough to tell the men that "automation" will eventually bring about a shorter working week with bigger output but by tradition the normal worker does not look further than his weekly pay-day. The flying column of shop stewards (overwhelmingly Communist) will undoubtedly let loose the midnight hags of fear, suspicion and distrust.

It would seem that we are moving irresistibly toward increased production with a shorter working week. Already philosophers visualize a four-day working week in the factories. If that proves true then organized leisure will become the biggest single industry in the country.

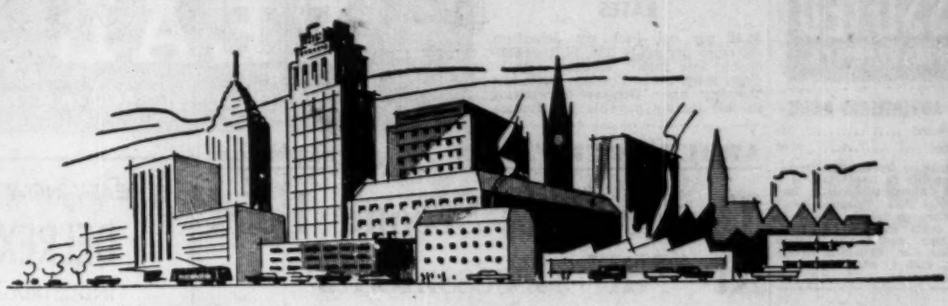
London Seldom Looked So Radiant

To turn to more pleasant things we are being invaded by air and sea to the gratification of all of us. There are so many Americans and Canadians here that we local residents feel as if the island is being occupied by a friendly army from overseas. London has seldom looked so radiant, for you will be glad to know that there was a welcome rain fall that gave a fresh beauty to everything.

The theatres are crowded, the hire car services are booming, the House of Commons is playing to capacity business, the silence of the cricket fields is broken by the wild shout of "How's that?", the seaside lures the town dwellers to fish and chips and everything extra, and the tourist agencies are producing an endless flood of specially routed tours on the Continent.

And just to remind us that there are things of the spirit as well as the body the Buchmanite Moral Re-Armers have turned up in force at the Hippodrome Theatre in Leicester Square. The first night of their musical show, "The Vanishing Island," drew the town and proved a slick production all 'round. But then there is no reason why the Devil should have all the tricks. The show was colorful and the music was excellent.

There is still a latent hostility in Britain to some of the methods of the Buchmanites but there is a growing recognition that they are making a sustained effort to change the habits and thinking of bewildered people.



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Probe Into Alberta Liquor Laws

From Our Own Correspondent

EDMONTON — The provincial government committee investigating Alberta's liquor laws will begin hearings June 18, inviting representation from the 160 Alberta organizations which have submitted briefs suggesting changes in the regulations.

The committee will probably sit at various points in the province, since briefs are from widespread groups. Recommended changes in the Liquor Control Act will be made at next year's legislative session.

Among groups submitting briefs are the Alberta Hotel Association, various church and temperance organizations, motel and restaurant operators, local police and RCMP. Those who favor more liberal liquor laws are expected to press for the establishment of hotel and restaurant cocktail bars (the Liquor Control Board has recently permitted some hotels to broaden food services in beer rooms, play background music, and stay open another 15 minutes at night); greater supervision of beverage rooms to eliminate sales to minors; additional outlets, such as liquor service on trains and airplanes in the province; and more freedom in advertising beer and liquor.

Alberta's Liquor Act, a revision of the original Act of 1924, has been in force since 1953.

How and When

Hours of sale are from 10 a.m. until 10.30 p.m., except Sunday, with sales forbidden to minors (under 21) or Indians. Hotels cannot set up any form of bar or cocktail lounge, and must have their premises inspected regularly by the Liquor Control Board. No mixed drinking is permitted in hotels in Calgary or Edmonton. Beer licenses in municipalities are limited to four for the first 3,000 residents, and one for each additional 4,000 people. About 417 hotels now hold licenses. In the 1954-55 fiscal year, 19 had them suspended, mostly for selling to minors.

The LCB operates 58 retail liquor stores throughout the province. Only other outlets are private clubs, which may obtain beer or liquor licenses on payment of a fee, depending on size. Last year, 78 clubs held beer licenses, 22 had liquor licenses.

LCB profits for the current year (to be paid into the provincial treasury) are estimated at $15.5 millions, or about 7.5% of all provincial revenues.

Nearly all the beer and ale sold in the province has been supplied by Alberta's six breweries, operating in Edmonton, Calgary, Lethbridge and Red Deer. Of the 13.5 million gallons sold in the 54-55 year, 100,000 gallons came from Eastern Canada, 7,000 gallons from Great Britain. The rest was home-brewed.

TOWN OF BARRIE, Ont., new issue of $800,000 4¾% 1-to-20 year debentures has been sold to a syndicate comprised of Bankers Bond Corp., Anderson & Co. and the Bank of Nova Scotia, Toronto. Town will use proceeds for construction of a new district collegiate institute.

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OPENS Sept. 6, 1956

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How Today's Oil Boom 'Blew In' 20 Years Ago

These Turner Valley Pioneers Forged Shape Of New Industry

Mark down Turner Valley as the founder of the Western Canada oil industry. Here was a field on which our oilmen developed their know-how, a field which provided the capital for further oil exploration and development.

The 20th anniversary (June 16) of the discovery of Turner's crude riches naturally brings back memories of such names as Brown, Bell, Dingman, Herron, and the part they played at various periods in field development.

These pioneers achieved what they did without the assistance of a well-developed geophysical industry — and with equipment outmoded by today's standards. Money was far from plentiful.

Here is the history of Turner Valley and the achievements which led up to development of our western oil industry as we know it today.

By GORDON M. GRANT

Almost two thirds of Alberta's 71-year oil and gas history is essentially the story of Turner Valley—the early industry "giant" which dominated attention from 1913 to as late as 1946.

In retrospect it is logical that western oil history should largely be identified with Turner Valley. Gas seeps of the Valley attracted attention as early as 1911. They occurred in relatively settled country. They presented a challenge to thinking people and begged the test of drilling.

The date June 16, 1956, marks the 20th anniversary of the discovery of crude by the famed Turner Valley Royalties well in 1936 to launch the Valley on its greatest period of prosperity. But earlier successes were perhaps equally important in the evolution of Canada's great western oil industry.

In the period of 1912-14 Turner Valley first became famous. The Dingman No. 1 well of 1913-14 drilled by Calgary Petroleum Products (a predecessor to Royalite Oil Co.) gave results which captured the imagination of the public. Although all the early wells drilled to only shallow horizons above the limestone, produced oil in only small volume along with gas, they caused a hysterical although short-lived "real estate" boom.

For the next 10 years, attention continued to be focused on Turner Valley with its shallow gas wells, despite the small capacity and low pressure.

The year 1924 brought the era of "wet gas" and production of rich naphtha as well as gas. Drilled deeper into the Madison limestone, Royalite No. 4 well became the talk of the country. A huge wave of further drilling was set in motion. More than 100 "wet gas" wells were drilled the next 12 years. The wells, drilled by the old cable-tool drilling rigs were produced mainly for naphtha recovery.

Gas In Flames

Gas from wells for which no market existed would burn in flames which could be seen in Calgary 35 miles away.

That the gas was wasted was unfortunate as valuable reservoir pressure was being exhausted which could have made a greater recovery of oil after crude was discovered. Adoption of conservation practices came slowly in Canada just as it did in the U. S. But conservation was one of the lessons the industry had to learn.

Next came the crude oil era, by far the most important and significant.

For years there had been speculation as to what might be found down the southwest flank of Turner Valley. Skeptics held it would be water. A few realized there might be a substantial crude pool. There were some indications a pool did exist.

It remained for R. A. Brown, who had studied the situation along with his son, R. A. Brown, Jr., to do something about it. An excerpt from a previously unpublished memorandum in Financial Post files provides an interesting picture on the background leading to the bringing in of Turner Valley Royalties No. 1 well as a substantial crude producer:

"In spotting their discovery well, Turner Valley Royalties, Brown was acting on a geological hunch, not supported by the theory of any competent geologist. He wanted money to put his hunch to the test and went to Imperial Oil.

"'They were not a damned bit impressed with my geology,' Brown, an electrical engineer, says, 'and they had no right to be because I didn't know a damned thing about it. But they gave me $25,000. I got another $30,000 from B-A who, with good reason, were as skeptical as Imperial. This gave me a start, and we brought in Turner Valley Royalties.' "

Recognition of the significance of the Turner Valley Royalties well was quickly forthcoming. Hon. C. C. Ross, Alberta Minister of Lands & Mines termed the crude strike the most outstanding development in Alberta oil history.

Dr. George S. Hume reported that engineers estimated that the new crude pool might yield as much as 250 million bbls. of crude oil.

Financially, the $143,000 discovery well was a big success and brought a tremendous upsurge in Turner Valley drilling. From its completion as a 1,000-bbl. well on June 16, 1936, to March 31, 1937, 243,282 bbls. of crude were turned out. With the light gravity crude worth $1.75 a barrel, returns amounted to $403,273 after allowance for line loss and other small incidentals. In other words, the well returned twice its cost in little over nine months.

With its multitude of wells drilled by such companies as Royalite, Home Oil, Anglo Canadian (now merged in Canadian Oil Companies), Okalta, Pacific Petroleums, C. C. Cross & Co. royalty companies, etc., Turner Valley showed a rapid rise in production.

Strangely enough, the emergence of lush crude resources at Turner Valley brought controversial questions which bear a strange similarity to some heard today.

First of all the crude was 100% wonderful. A despatch of the time said that the Turner Valley Royalties crude could be mixed with the naphtha to make gasoline, eliminating the need for imports.

But as crude production rose, demand didn't keep pace. By September, 1937, there was so much oil being produced that existing pipelines from Turner Valley to Calgary were inadequate to carry the product, and it was a problem to market the gasoline when refined.

Some independent operators fought early efforts to prorate the available market but later proration was recognized as the only sensible answer.

Then came the pipeline controversy. A pipeline should be built to the head of the lakes to provide a market for all crude that could be produced, the pipeline enthusiasts held. But reserves were found to be too small to justify the huge expenditure of a pipeline and it awaited discovery of Leduc and Redwater for a pipeline to be built.

Best Crude Grade

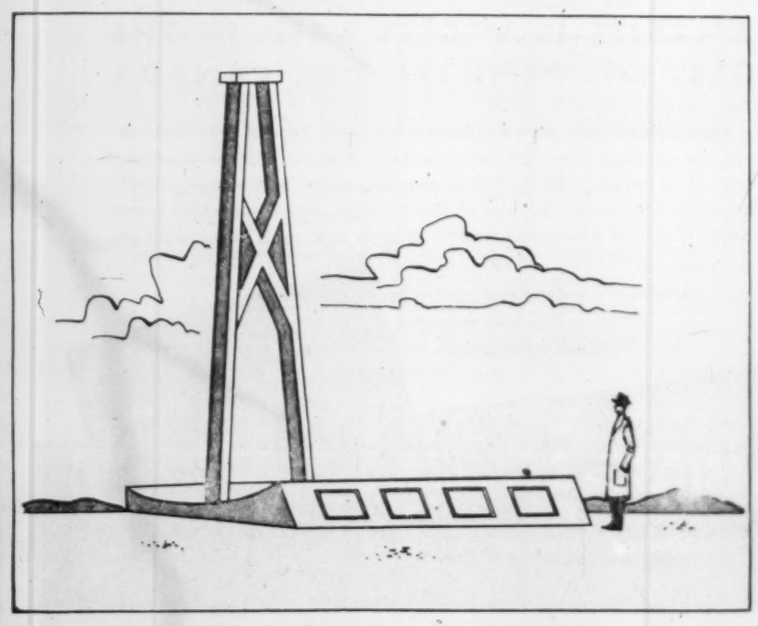
But years later, in 1956, Turner Valley still rates as an important field with the best grade of crude of any large Canadian field. Daily production runs close to 4,500 bbls. daily. In production of gas, Turner Valley is still the largest in the province. And there is a large production of byproduct sulphur.

Over 120 million bbls. of crude have been turned out by Turner Valley wells to power western Canada industry. Turner Valley has played not only its part in developing today's expanding oil industry but in developing such cities as Calgary and providing Canada with early recognition of Canada as a producer of oil.

Turner Valley will indirectly be responsible for a large part of the "raw material" when western gas flows by pipeline to Eastern Canada. It was Turner Valley which spurred the search for crude in the foothills region of Alberta and ultimately led to discovery of the immense gas reserves of Pincher Greek. Pincher Creek will be the prime gas pipeline supplier.

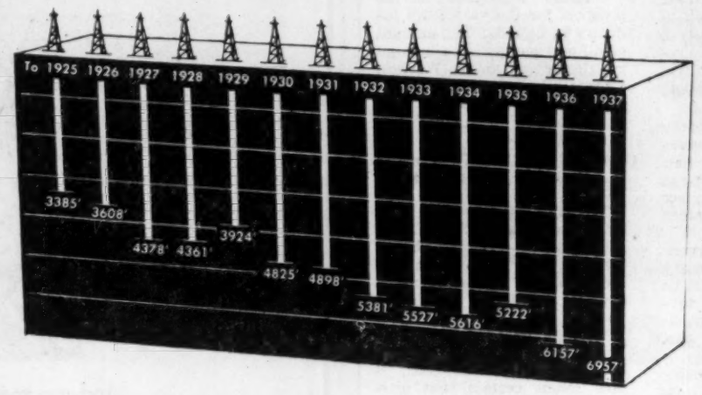
Turner Valley is today enjoying a venerable old age. It is full of honors as Canada's first oil field. It is fitting that the 20th anniversary of the discovery of crude on its western flank should be celebrated.

A Cairn To Yesteryear . . .

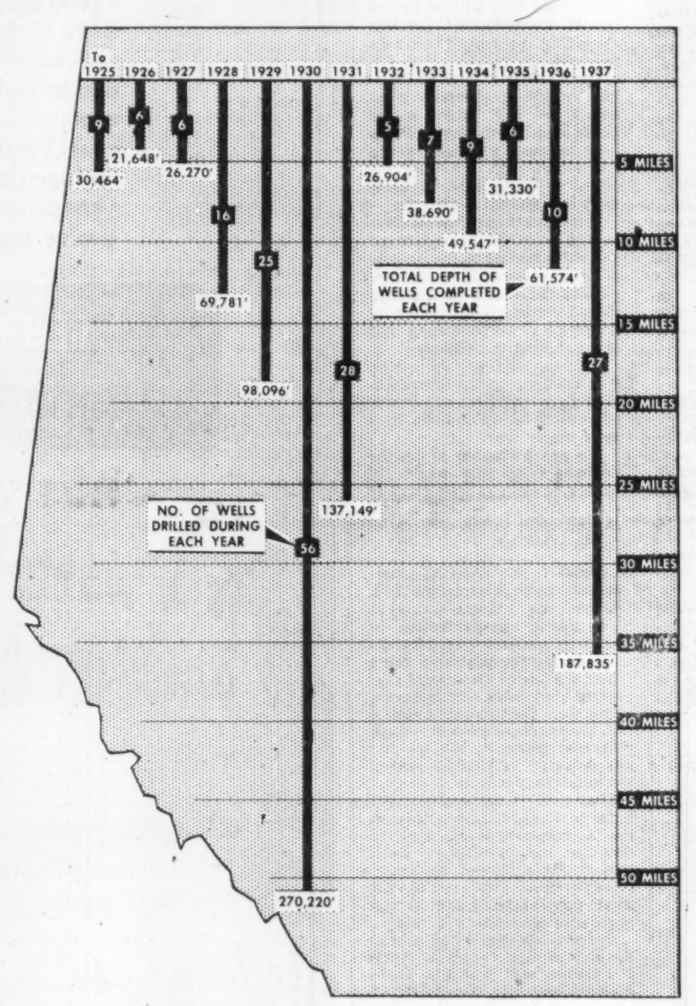


Dramatic Turner Valley 1936 Discovery Wrought These Important Field Changes

Wells Went Deeper to Tap New Crude . . .



Pace of Drilling More Than Tripled . . .



Oilmen Pay Respects To Turner With Memorial Cairn, Hi-Jinks

Next week (June 15, 16) gala celebrations at both Turner Valley and Calgary will mark the 20th anniversary of the discovery of rich crude oil resources on the valley's southwest flank.

Main attraction at Turner Valley field will be Friday unveiling of a cairn to commemorate not only the 1936 Turner Valley Royalties discovery well but earlier wells which played a key part in development of the field. Displays and exhibits will tell the story.

The cairn (at left), which takes the form of an 18-ft. oil derrick, is located at the main corner of Turner Valley town. Unveiling will take place in the afternoon, with a cavalcade of Calgary oilmen scheduled to arrive immediately after lunch.

Following the unveiling there will be a tour of the famous wells of the Valley. The cairn itself stands within sight of Royalite's first famous wells.

Equal in importance to the unveiling of the memorial will be the Saturday banquet in Calgary's Hotel, where Premier E. C. Manning, who is also Minister of Mines and Minerals, will be guest speaker. The dinner will provide the formal setting for recognition of the oil pioneers.

Visitors to Calgary will be sharply aware that something out of the usual is taking place. A supply firm queried on the cost of 5,000 drillers' hats for Calgarians was told that the firm would be glad to supply the hats gratis.

So 5,000 employees of the oil industry will don fancy souvenir hats for the two-day celebration. The Palliser Hotel will also have an oil exhibit for the occasion.

Western oil people have two special objectives in marking the 20th anniversary of Turner Valley crude:

1. To pay homage to those pioneers — among them early Calgary businessmen still active in the oil industry—who made Turner Valley the first major oil field in the British Commonwealth.
2. To tell the public how the oil industry benefits the economy and contributes so greatly to the well-being of Canada as a whole and the western provinces in particular.

The business of organizing the Turner Valley celebration has been undertaken with characteristic energy by the western oil industry. The Canadian Petroleum Association—largely a western body — has undertaken over-all co-ordination of arrangements.

The general steering committee is headed by James H. Gray and members include D. P. Goodall, O. L. Torkelson and D. J. Young. Chairmen are Mr. Gray, cairn committee; A. G. Geddes, exhibits committee; R. A. Brown, Jr., dinner committee, and Tom Steele, publicity committee.

Mr. Brown chairman of the Turner Valley dinner committee is the son of the late R. A. Brown, Sr., chief sponsor of the famed Turner Valley Royalties well. R. A. Brown, Jr., has been identified with Turner Valley developments ever since the 1936 discovery.

Turner's Output

	Turner Valley (Barrels)	All of Canada (Barrels)
1936	1,287,319	1,500,374
1937	2,766,728	2,943,750
1938	6,691,138	6,966,084
1939	6,556,281	7,826,301
1940	8,454,497	8,723,651
1941	9,830,343	10,123,904
1942	10,003,935	10,384,019
1943	9,452,697	10,125,320
1944	8,326,314	10,099,404
1945	7,422,061	8,482,796
1946	6,371,572	7,585,555
1947	5,449,575	7,692,492
1948	4,900,739	12,286,660
1949	4,304,063	21,305,348
1950	3,775,369	29,043,788
1951	3,410,080	47,615,534
1952	2,655,007	61,237,322
1953	2,404,967	80,898,897
1954	2,137,907	96,080,345
1955	2,056,439	128,811,000

New Potential Over Horizons Dwarfs Today's Crude Output

With current Western Canada oil output exceeding 400,000 bbls. daily—nearly 100 times current Turner Valley output — John Q. Public might be excused for thinking that our oil industry has come of age.

But from what the experts tell us, bigger developments in Canadian oil are just over the horizon. Western oil, it seems, may still be in "knee pants."

Even our 400,000 bbls. of oil a day is only about half the oil we could produce right now, granted adequate markets and marketing facilities, it is reported. Markets are growing, but our ability to produce oil is increasing at an even faster pace.

What do things look like for the future? Economists have taken a look as far as 25 years ahead, and their picture is optimistic.

A survey of current western oil industry statistics indicates that Canada is still establishing new records.

More than $500 million is being spent on Canadian oil exploration and development this year, against 1955's $487-million high.

All drilling records have been going by the board this year despite not too favorable weather; the 1955 figure of 2,410 miles of hole should be exceeded by a substantial margin.

Alberta crown oil rights have been acquired at an unprecented dollar rate this year serving to confirm high-level development intentions. A new top of $33.3 million was realized at a recent sale.

With producibility — ability to turn out oil from existing wells — far exceeding presently available markets, some downtrend in activity would not have been too surprising. But the profit incentive to the individual operator in developing lush Pembina acreage —or wildcatting for oil—has been such that past performance records are nevertheless being broken.

Fortunately the long-term prospects for the western oil industry, as seen by competent oil economists, are exceedingly bright. While no less than $3 billion was spent by the oil industry from 1946 to the end of 1955, even more impressive figures are to be expected for the future.

In a brief to the Gordon Commission, Imperial Oil forecast the future as far as 1980, predicted an intense multiplication of the demand for oil—and Canada's ability to meet that need. Other authorities have made similar forecasts. Opinions appear pretty unanimous on the future. Predictions are down-to-earth estimates rather than the results of starry-eyed crystal gazing.

Imperial Oil's Predictions

Here are a few of the things Imperial expects:

—Allowing for vicissitudes along the way, Canada's potential oil production may reach a million to 1.4 million bbls. a day by 1960 and 2.8 million to 3.8 million bbls. a day by 1980.

—Between 23 billion and 30 billion bbls. of oil may be found between now and 1980 as against present proven reserves of three billion bbls.

—Markets for Canadian crude will reach 605,000 bbls. daily by the end of 1960 and two million bbls. daily by 1980.

—A further $20 billion will be spent on exploration and development and other phases of oil activity by 1980.

It is possible that even these figures may be on the low side. When Imperial Oil released its estimates, President J. R. White had this to say:

"If some of the figures in this forecast seem staggering to the more skeptical, I would remind them that today's industrial picture would have seemed just as incredible 25 years ago. I might add that in arriving at these estimates, whenever there was a choice between two figures, the smaller figure was always preferred. As a result, I believe that to whatever extent this forecast may err, its errors are on the conservative side, and the Canadian oil industry's future could prove even greater than the predictions here indicate."

Unlike the U. S. which must look forward to a role of an importer of oil, Canada's only present worry is that export markets will be sufficiently large to absorb the oil this country will be able to produce.

Oil will be a key factor in the further improvement of Canadian prosperity. The immediate direct expenditures of the oil industry in Western Canada spell a growing level of prosperity for the Prairies, British Columbia and probably the Yukon and Northwest Territories as well.

There has been unmistakable evidence that there has been a northward trend to oil discoveries in Alberta. The favorable area to be tested is great indeed.

Aside from the immediate effect of expenditures by the oil industry in western Canada, oil-industry expansion will be reflected in the prosperity and standard of living of almost every part of Canada. Extra dollars from oil exports will mean extra dollars for imports. Just about everyone therefore has a stake in the welfare of the western oil business.

The Alberta Government itself has realized close to $500 million from oil, and it is apparently unique in government annals in that its cash reserves now exceed its debt. As western oil gets closer to the pay-off stage, the expectation is that the Federal Government, and the taxpayer, will stand to benefit to an increasing degree.

It was recently estimated that the value of pipelines on the drawing boards and under construction totals $595 million which gives an idea of the immediate forward-looking picture provided for the industry.

Actually, marketing of gas is probably just as important as increased marketing of crude at this juncture. The solution of the gas-marketing problem through new eastward-trading pipelines would be of great assistance to the oil producer who is usually a gas producer as well.

If the Federal Power Commission "dances the Tennessee Waltz" and agrees to marketing of Canadian gas in the eastern U. S., then the transCanada pipeline will likely cause a decided spurt in exploratory and development drilling along its route.

To assure the vast capital required for establishment of Canada's future potential as a great oil producer, a favorable climate is regarded as a first essential by those in the oil industry.

There have been suggestions that Canada might do well to consider her present taxation policies to assure that investment in oil is equally as attractive to Canadians as to our friends south of the line.

At the same time, the very size of our capital requirements is such that the country can't be too concerned about the nationality of the dollar which helps our expansion along. It has been estimated that close to $20 billion of new capital will be needed over the next 25 years.

Imperial's president sees between $14 billion and $19 billion needed for exploration and development, and $3 billion to $4 billion for other purposes. President Beringer of B-A Oil sees $10 billion as a minimum for primary development alone.

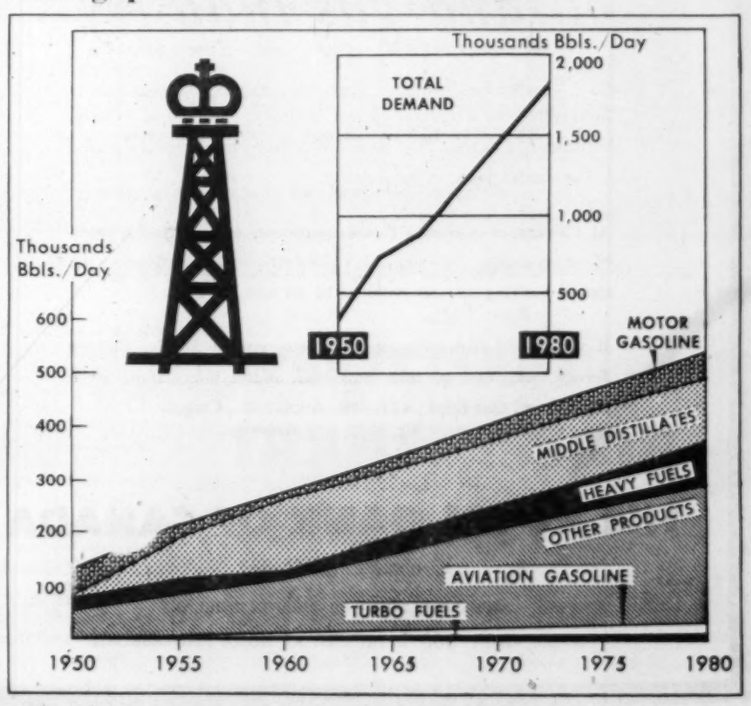
There is no indication that our petroleum industry has anything to fear from atomic energy or any other new sources of power.

Over-all demands for energy are expected to be 2-3½ times present requirements in the next 25 years. Petroleum's share of that energy would rise from a present 48% to somewhere between Imperial's estimate of 62% and British American's estimate of 71%.

It is abundantly clear that all the petroleum industry's problems aren't going to be solved at once. The problem of adequate markets may be with us for another decade or two.

But the over-all picture is bright. It's just a case of applying the best available techniques to development of our resources — and attracting the capital so those techniques can be applied.

. . . Signpost To Great Oil Growth



Our Oil Men Look Ahead 20 Years

On the occasion of the 20th anniversary of Turner Valley, The Financial Post asked leading Canadian oil men what they saw for Canada's western oil industry in the next 20 years.

A uniform note of optimism was sounded.

Replies published in detail in these columns represent well-informed opinion on the future of oil in Canada.

J. R. WHITE, president, Imperial Oil Ltd.

Any forecast made today is almost sure to be wide of the mark by 1976, but if I had to predict I would look for at least a four-fold increase in western oil production and reserves in the next 20 years, together with an extension of known fields to a much wider area as a result of the oil development. The changes above ground will be even more noteworthy.

Strong financial conditions will continue and will be reflected in transportation, education and other basic facilities.

I would expect to find a several-fold increase in manufacturing industry, much or about all of it associated with petroleum and natural gas.

Average incomes in the prairies will quite possibly be a notch or two above the national average, reflecting the growing stability and diversity of the prairie economy.

While these conclusions may appear optimistic, I would not be at all surprised to find that they prove to be a fairly conservative extension of the improvements which have already taken place.

W. M. B. ASH, president, Shell Oil of Canada

I think while Canadian oil industry has recently faced and to some extent still faces problem of finding markets for its petroleum production, both oil and gas, this is a condition which will rapidly decrease in coming years. In fact over the 20 years of your inquiry the shoe will be on the other foot and our problem will be to produce petroleum's share of the tremendous world requirements of energy.

There is no doubt petroleum will be predominant contributor to the world's, particularly western hemisphere's, and above all North American energy requirements in next 20 years.

The free world's effective consumption of energy has increased by 135% since 1920 and since 1938 alone it has increased by 80%. But the consumption of petroleum and natural gas has increased faster still raising their joint contribution to the total effective consumption of all forms of energy from about one seventh in 1920 to more than half last year.

Meanwhile the contribution of coal has fallen from about five sixths in 1920 to less than half today. Over the same period hydro-electricity has raised its share from 3% to 7%.

The big growth of energy requirements expected over the next 20 years or so will have to be met primarily by petroleum.

Although nuclear power is undoubtedly the world's main future source of energy its contribution over the next two decades is likely to be only small in relation to that of the present established sources.

In the last quarter of this century if the world's production of energy continues to grow at a rate of 3% a year after 1975 total energy output by 2,000 would be almost four times the present level.

Even a very rapid increase in the production of nuclear power from 1975 onward such as would raise its contribution to total energy supplies to one third by 2,000 would still imply the necessity under these assumptions for a four-fold increase in oil production over today's level by the end of the century. Today the balance of power in terms of petroleum reserves has passed from the western to the eastern hemisphere. In these circumstances Canadian oil and gas are of particular strategic importance.

S. C. NICKLE, president, Anglo American Exploration

Twenty years from now Canada will be producing two million barrels of oil daily. At least 5 billion cu. ft. of gas daily. Discovery of oil reserves will exceed 20 billion bbls. and gas will exceed 20 trillion cu. ft.

Practically all capital generated in this progress will be reinvested in the industry but it will still be necessary to bring in all foreign capital possible to achieve this. Our government should take all the steps possible to encourage Canadian capital to participate to the fullest extent.

Various kindred industries will have been established in Canada such as petrochemical, etc.

But greatest of all these developments will be the opportunity for young Canadians to participate in the growth of these industries. The experience and training that will be available to them will be greater than in any other part of this world. We who are here must have the full realization of the responsibilities placed upon us in developing the youth of Canada to take advantage of this situation. In 20 years there will be in excess of 1.5 million people engaged in these industries. Opportunity awaits these young Canadians—encourage them to prepare.

R. C. BROWN, president, Hudson's Bay Oil & Gas Co.

Supply and markets plus the brains and the money necessary to bring the two together, are the whole components of healthy growth and these are certainly present in Western Canada's oil industry.

For supply we have every reason to believe that many times more oil and gas will be found in Western Canada during the next 20 years than has been found here in the past 20 years.

For markets — the industry has aggressively moved its surplus oil to any market it could economically reach and I predict that as productive capacity increases new pipe lines and the extensions to existing lines will expand our area of economic competition both in Canada and the United States. Eventually surplus natural gas must be sold on the same orderly economic principles.

Crude oil prices have lagged behind in the general economic picture and there are excellent chances that some part of the long overdue price increase may come before the end of the year.

Research improvements in technical phases of exploration, development, and production and major developments in the petrol chemical field, are firmly in future picture.

A. W. NAUSS, president, Scurry Oils Ltd.

Canada's need for energy has been growing at an accelerating rate. This energy during the next 20 years will be partly supplied by nuclear reactions. However, an even greater percentage than now will be supplied by petroleum and natural gas. Canada's oil requirements will triple. These requirements will be met largely by Canadian production, and reserves will increase as a result of greater exploratory efforts stimulated by expanding markets.

The greatest increases will be seen in the natural gas industry which is just getting under way in Canada. The new pipeline outlets will cause renewed drilling efforts in gas fields.

This will result in expanding gas reserves far in excess of market requirements and will put pressure on the seeking of markets in population centres located farther and farther from the supply source.

Since larger volumes of gas will be transported, the cost per mcf will decrease and it will be possible to transport the gas to more distant communities.

Unusual expansion is the prospect for the petroleum industry in Canada. The amount of oil and gas present, but not yet discovered, under Western Canadian soil, is vastly in excess of that needed in such expansion.

GEORGE H. SELLERS, president, Bailey Selburn Oil & Gas

Twenty years ago the discovery of oil at Turner Valley substantiated geological belief that oil was present in the huge basin of sedimentary deposits in Western and Northwestern Canada.

While a decade before any major discoveries were made at Leduc, Redwater, etc., it now seems certain that ultimate reserves of oil and gas will surpass the prolific fields in Texas, and production 20 years from now will be in excess of 1,600,000 bbls. per day exceeding present records fourfold.

Huge reserves, such as Pembina's billion barrels plus, added to our other major fields, require markets. Pipelines to east, west and south now exist, and the area we serve will continue to grow with our ability to deliver.

Ultimately our tremendous energy potential in the form of gas will also add to the national and international welfare despite the many obstructions placed before this industry by perhaps well-meaning but short-sighted individuals.

Growing auxiliary industries, construction, petro-chemicals, manufacturing, heat and power are before us in Canada in a very major way.

We are fortunate to be the possessers of this source of natural wealth so important to our industrial expansion and so important to the security of North America.

GEORGE L. McMAHON, president, Pacific Petroleums Ltd.

When one reflects on what has been accomplished in Canadian oil and gas development during the past nine years (since the Leduc discovery) it is evident that these developments do no more than merely indicate the tremendous growth which will take place in the oil and gas industry in Canada during the next 20 years.

That part of the sedimentary basin in Canada is so large and the exploration work done to date so comparatively small that it would indeed be inconceivable that all or even a very small percentage of the oil and gas had already been found.

In view of this I think that the outstanding trends in western Canada's oil and gas development during the next 20 years will be:

1. The construction of more and larger pipelines to transport oil and gas to available markets both in Canada and the United States.

2. We have already seen the beginning of the petrochemical industry and as new oil and gas reserves are found we are bound to see a big expansion in this phase of the industry. Many more uses are being found for the byproducts of raw gas and as further gas lines are built and the gas stripped before transmission the basis for a big expansion is very clear indeed.

3. Development of the northland of western Canada through the reaching out of exploration of the oil industry into these remote parts and we can already see a very large growth in population in the areas directly resulting from the exploration and development of new fields far distant from the presently established centers such as Calgary and Edmonton.

L. W. LEE, exec. vice-president & general manager, Husky Oil & Refining Ltd.

The next 20 years will see a lessening of western Canada crude marketing problems. The southern Ontario market should increase substantially. The United States market will be cultivated to a greater extent as crude production expands.

The major emphasis will be on the Great Lakes region and the west coast.

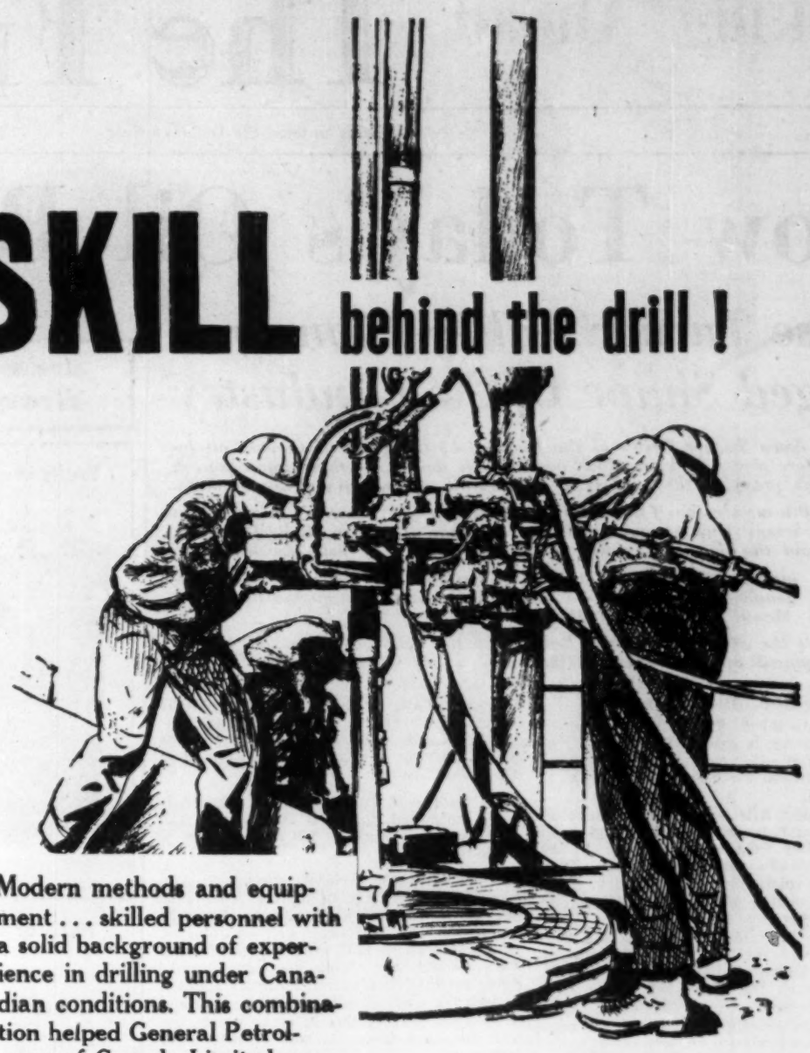
Some tanker shipments of Alberta crude have begun already from Trans-Mountain pipeline terminal. As pipe lines are amortized, extension to larger volume markets will be possible. Crude markets on west coast will become more important.

More emphasis will be placed on drilling in the Alberta foothills belt and wells will be drilled deeper.

Natural gas production will

(Continued on page 27)

SKILL behind the drill!



Modern methods and equipment . . . skilled personnel with a solid background of experience in drilling under Canadian conditions. This combination helped General Petroleums of Canada Limited account for 10 per cent of the total footage drilled in Western Canada during the past twelve months.

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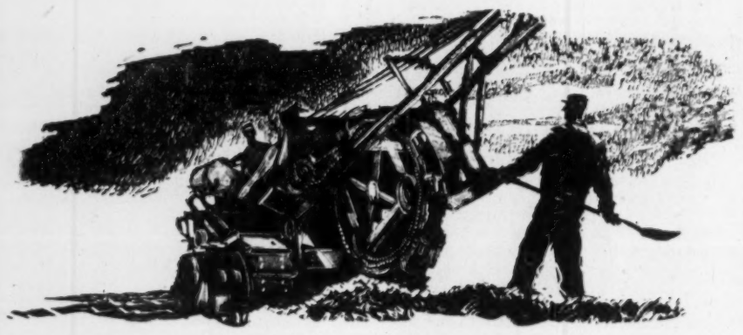

oil and gas industry

Throughout the important oil and natural gas centres of Alberta, branches of Canada's "Oil Bank" offer exceptional services geared to the special needs of the industry.

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THE ROYAL BANK OF CANADA
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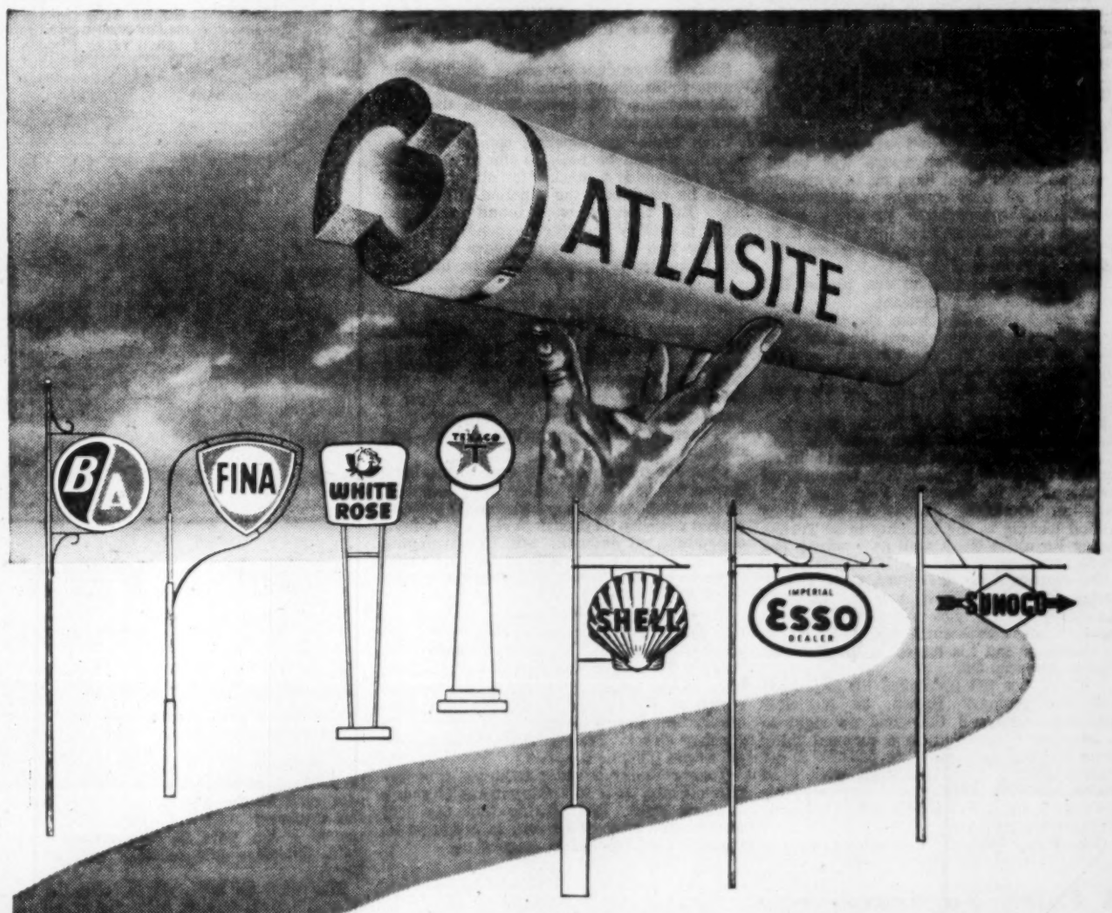
ASSETS EXCEED 3¼ BILLION DOLLARS
MORE THAN 860 BRANCHES AT HOME AND ABROAD



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Atlasite is a worthy companion to Newall's 85% Magnesia and Newall's Newtempheit.

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Looking Ahead

(Continued from page 26)

increase greatly as marketing problems are settled and the U.S. looks to Canada for supply.

American investment in Canadian petroleum industry will continue high as the U.S. becomes more dependent on Canadian crude and gas. Proper tax adjustments would invite more participation by Canadians.

M. S. BERINGER, President, British American Oil Co.

Just as the outstanding characteristic of the oil industry in the past has been the spirit of venture and positive approach to meeting problems and a policy of continuous planning, this will be true in the decades ahead. With such dramatic rewards in the past as the Turner Valley discovery, similar rewards can be anticipated in the next two decades.

Because Western Canada is a great treasure house of energy for the entire nation, development there will be directly related to the wonderful growth factors determining Canada's future expansion. By 1976 our population will be approximately 26 millions, living in 6.5 million dwellings, driving more than 9.8 million motor vehicles or nearly 2½ times our present number. By 1976 Canada's energy requirements will be 5,900 trillion btu's, which is more than twice today's needs, and petroleum and natural gas will be supplying over 68%.

Even excluding any exports of natural gas, which could quite be material, the demand for natural gas for Canadian consumption by 1976 will be 385 billion cubic feet.

Canadian requirements for liquid petroleum, which will increasingly stimulate the hunt for more crude and further increase production, will be more than 625 million barrels, almost three times what it was last year.

Nor must we forget that Western Canada's petroleum will play an important role in supplying the petrochemical industry, located in the west itself or in other parts of Canada. With the ever-increasing number of synthetics having a petroleum base, as well as the availability of byproducts in natural gas such as sulphur in large quantities, it is estimated that the industry will grow at an annual rate in the area of 15%.

It has been estimated that investment in the West of $10 billions would be required as a minimum over the next 25 years for exploration and development alone, and Western Canada would be the great recipient of this.

In addition, the next two decades will see vast sums spent in the West for the construction of refineries, transportation and marketing facilities.

CODY R. SPENCER, president, General Petroleums of Canada.

At the zenith of development drilling in Turner Valley about 34 rigs were operating in western Canada. This figure was reduced somewhat prior to the Leduc Devonian discovery in 1947 but has since increased to about 179 rigs.

Since Leduc, rapid strides have been made to streamline equipment and techniques until today Canadian drilling operations are considered as efficient under their particular conditions, as any in the world. During this period there has been a transition of rigs from practically 100% steam power to 100% gas diesel with depths ranging from the smallest to medium large.

Due to the depths of sedimentary beds, drilling contractors have no doubts but that the largest rigs manufactured will be required here within a decade.

Presently, potential crude production is about 700,000 bbls. daily while market allowable is approximately 400,000 bbls. daily which represents about 62% of Canadian consumption.

Long range projections indicate Canadian crude sales will double in a decade and increase another 50% in 20 years.

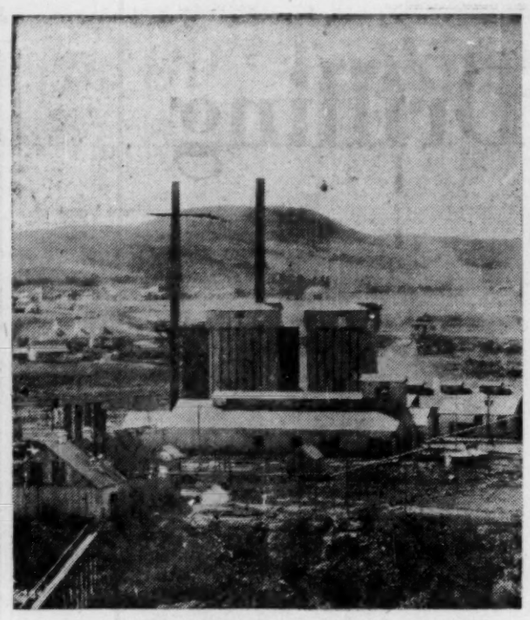
Drilling contractors in anticipation of these projections and the expected export of gas and petrochemical expansion, are steadily adding rigs while the majority have also embarked on personnel training programs with a view to steadily increasing drilling depths.

D. M. MORRISON, president, Trans Mountain Oil Pipe Line Co.

Twenty years ago it was common talk in the oil industry that a gallon of gasoline purchased for 20 cents at the pump contained components worth $20 to $30 at the drug store.

The figures have changed, but the sense of the comment is still valid and serves to emphasize that gasoline components and the petrochemicals now associated with gasoline manufacture have assumed such value that it becomes more and more difficult to justify the burning of petroleum hydrocarbons for energy alone.

This is indicative of the trend in the petroleum and petrochemical industries and the pace of research and development along these lines will require enormous expansion in petroleum refining, petrochemical manufacturing and engine development.



The original gas seepage site which led to interest in Turner Valley developing in 1911. A "scrubbing plant" was located on the property in 1921 and operated by Royalite Oil Co. Capacity: 45 million cu. ft. of gas daily.

In western Canada, new oil and gas discoveries and some development of the great Athabaska tar sands will undoubtedly occur. Prairie oil will probably move into Quebec and also flow westward in increasing volume to B.C., and the U.S. Pacific northwest, which is now becoming a major refining area. After refinery construction will undoubtedly come petrochemicals and rapid general industrialization.

Probably the greatest development of all in the next 20 years will be the general opening up of the great Canadian north and in view of the present nationwide interest it is to be assumed that Canadian participation in such development will be greatly enhanced. In this development the pipeline industry will certainly play a major role in transportation.

N. W. NICHOLS, vice-president, Great Plains Development Co. of Canada

Turner Valley is unique. For many years it was Western Canada's only major oilfield, the largest in the British Commonwealth. It provided our incentives to keep looking during a period of over 10 years until the industry was rewarded with Leduc, Redwater, Pembina and others.

In the future, Western Canada will provide many further discoveries of oil and gas of importance. The deeper basin areas and mountain foothills will receive increasing exploratory emphasis and shallower areas will continue to supply an important share of new reserves.

Continuing rising costs in the economy, combined with increased long-term demand and ultimate decline of competitively available supplies, will keep crude oil and gas prices firm to upward in trend.

Present oil and gas transmission lines will require continuing capacity expansion and new competitive outlets.

Increasing Canadian demand plus U.S. midwest and Pacific demand will serve to minimize any undue proration restriction of oil production.

As Canada's domestic requirements increase at a substantial rate, refinery and marketing capacities must increase and they will be subject to constant modernization under more competitive conditions.

Expansion is anticipated in all phases in the long-term direction of North America's largest relatively unexplored potential oil and gas area.

J. P. GALLAGHER, president, Dome Exploration (Western)

During the next 20-year period we at Dome join with others in the industry in anticipating a rapid growth in Canadian oil and gas reserves, and in the production and consumption of petroleum products. This expansion will undoubtedly be accompanied by the development of various secondary industries using petroleum products as their raw material.

In addition the ever-widening search for oil and gas fields should help to open up inaccessible areas for agricultural settlement.

Despite the tremendously rich oilfields of the Middle East and other parts of the world, we feel that Canada will receive a more than proportionate share of international risk capital in the development of its petroleum resources, due to its strategic location in a politically stable country.

We hope that this international faith in Canada will be shared by our people and result in a greater Canadian equity participation in our industry.

L. F. FRANTZ, president, Western Naco Petroleums Ltd.

With the 20th anniversary of the Turner Valley oil discovery approaching, Western Canada's oil industry is reaching maturity. The industry's most prolific years are ahead.

Western Canada has gained technical oil and gas "know how" during the past two decades. Along with that knowledge and probable further advances in scientific methods of searching for oil and gas, I believe that exploration and the discovery of oil and gas reserves during the next 20 years will dwarf the previous drillings and finding rates.

The search for markets for our hydrocarbons will probably be the most significant role played by the petroleum industry in the future. Although Canada's demand for petroleum will continue to grow city by city, refinery expansion will likely be slower than during the past nine years.

A realistic look at the future indicates that Canada's largest crude oil markets will be in the United States, where crude demand is expected to nearly double in the next 20 years. The United States will look to Canada for additional importation of crude oil supplies and we shall look to the United States for an increasing economic market of our surplus petroleum.

Pipelining, now in its infancy in Canada, should reach maturity during the next 20 years.

G. L. KNOX, chairman, Canadian Petroleum Association.

Provided favorable conditions for investment are continued present half-billion dollar a year investment rate in the oil industry will be maintained or increased for the next two decades. This assumes utilization of investment capital from numerous foreign sources in addition to Canadian funds.

A number of favorable effects will result from this large investment. Active exploration for oil will extend over a larger area than at present and will

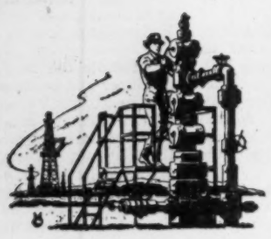
(Continued on page 29)

Expanding
TO SERVE WESTERN CANADA

Industry . . . energy . . . progress, the natural advance of a vibrant Canadian economy. The dramatic symbol of the *ROYALITE* Kamloops Refinery (B.C.), stands to illustrate the rapid expansion of the *ROYALITE* OIL COMPANY facilities in Western Canada. Commerce and Industry depend on oil, and the modern *ROYALITE* refineries and plants in Alberta, British Columbia and Saskatchewan, supply Western Canada with petroleum products of every description. The orange-and-turquoise *ROYALITE* trade mark is a symbol of progress, the ever expanding mark of quality petroleum products.

ROYALITE OIL COMPANY, LIMITED

SASKATCHEWAN



PROGRESS WITH NATURAL GAS

- 1952—Gas found in commercial quantities at Brock
- 1952—Pipeline and distribution systems built in Brock and Kindersley
- 1953—A 101-mile pipeline constructed and gas service instituted in Saskatoon, Delisle and Rosetown as well as the villages of Netherhill and Coleville
- 1954—Brock and Coleville gas field tied together with a 30-mile pipeline. The villages of Zealandia, Harris, Tessier, and Vanscoy receive gas from the Brock-Saskatoon line
- 1955—Pipeline built from Coleville to Saskatoon and from Saskatoon to Prince Albert. Gas service started in Prince Albert early in fall. Villages of D'Arcy, Fiske and McGee get service from Brock-Saskatoon pipeline.
- 1955—Pipeline built from Success field to Swift Current 20 miles away
- 1956—Natural gas service for Moose Jaw, North Battleford, Swift Current, Humboldt, Eston and several other communities

PLUS . . . 120-mile pipeline from Success field to Moose Jaw.

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NOW SERVING NEARLY 14,000 NATURAL GAS CUSTOMERS

"NATURAL GAS ON THE WAY"

Canada's first "big inch" natural gas pipeline is now being built by Westcoast Transmission Company from the prolific gas fields of northwestern Alberta and northeastern British Columbia.

The years 1956 and 1957 will see this 650-mile pipeline stretch down through B.C. to Vancouver and the U.S. Border bringing a new and important fuel and energy source to eagerly waiting markets.

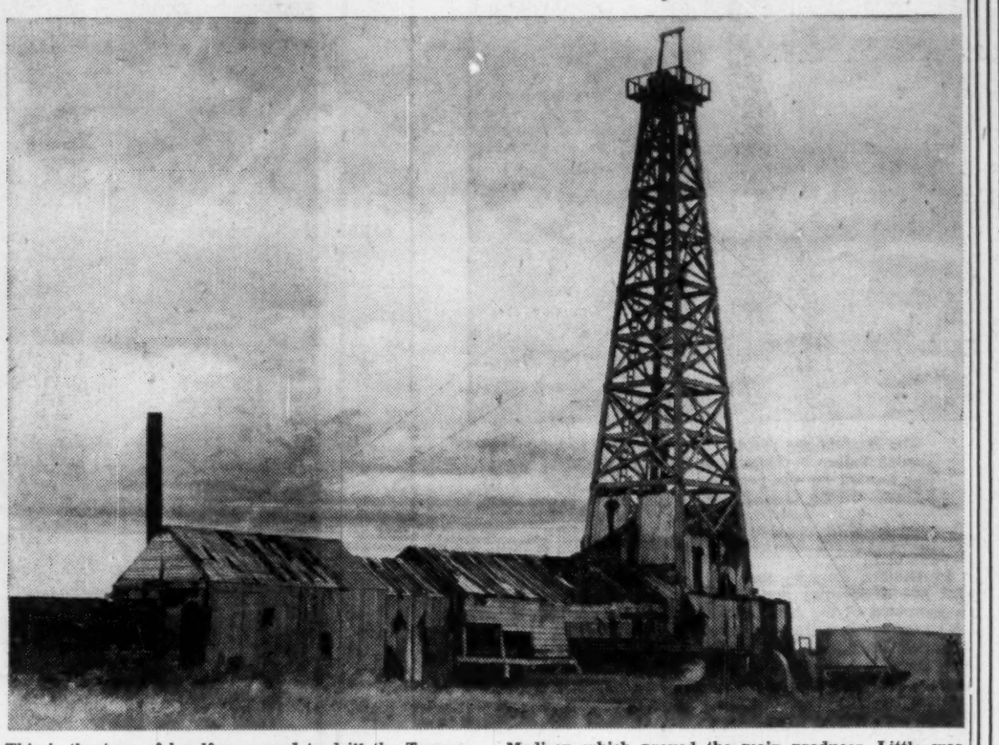
This picture shows part of pipeline "spread" in operation in British Columbia with the crew coating and wrapping the 30-inch steel pipe prior to ditching it.

There are over 1000 Canadians employed in the construction of the line. By mid-summer, when the operation is in full swing, the number is expected to increase to 2000.

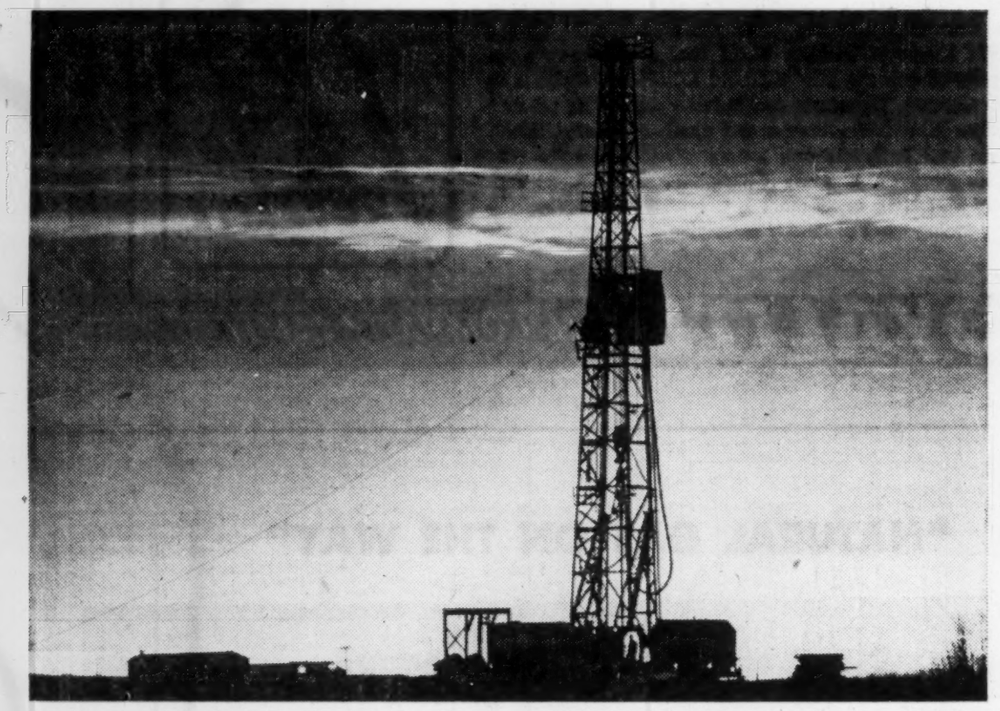
WESTCOAST TRANSMISSION COMPANY LIMITED

Turner's Two Eras of Drilling

Calgarians who were identified with Turner Valley history right from the start will recognize these two gentlemen. They are Hovis and Brown, pioneer drillers, who completed the Dingman discovery well in 1913.



This is the type of headframe used to drill the Turner Valley discovery well of A. W. Dingman and Calgary Petroleums Products back in 1913. The headframe was wooden and drilling only tapped horizons above the Madison which proved the main producer. Little was known of the science of logging wells and early operators naturally had a greater share of "troubles" than drillers today.



Steel headframes such as this have now disappeared from Turner Valley horizons. After a well is completed, only a small amount of control equipment, known to the industry as a "Christmas tree" is needed to produce a well. If a well runs into trouble, advanced fishing techniques are available for recovering lost tools. Acidization or sand fracturing can be used to step up oil flows.

Here is "Ted" Rick, Turner Valley driller, using rotary drilling equipment rather than the cable tool equipment with which most earlier wells were drilled. Drilling is big business in the West today with thousands of miles of drill holes completed a year.

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•

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Head Offices

224 Ninth Avenue West, Calgary, Alberta

TURNER HISTORY

Dingman Started It in '13, Brown Found Crude in '36

Though it has been a centre of keen interest ever since 1914, the Turner Valley did not become Canada's premier petroleum field until 1923. For many years the Alberta oil fraternity encountered unique difficulties; were intimately acquainted with adversity. Their persistence does honor to their courage.

The Turner Valley in its earlier years was variously called the Sheep Creek or Black Diamond field. Seepages of gas on the banks of Sheep Creek first excited the interest of oil seekers in 1911 and led the late Mr. Dingman and his associates to acquire leases and begin drilling operations.

Their initial well, the Calgary Petroleum Products No. 1, was spudded in on the 25th of January, 1913, and completed at a depth of 2,718 ft. in the following May, with a production of a million and a half cubic feet of gas and a few barrels of oil daily. The second well was hardly so successful, making only half-a-million cubic feet of gas at 3,000 ft. depth.

The return the investors received for their hysterical response to the high-pressure salesmanship which capitalized on Dingman's success was meagre. The net result was that by 1920 Turner Valley had nine wells scattered over an area three miles long and one mile wide, each with showings of oil and gas to a greater or lesser extent, and five partially drilled wells which had run into difficulty or lacked sufficient funds for completion.

Meanwhile the Calgary Petroleum Products had started a third well and at a cost of $50,000 had constructed an absorption plant capable of treating three million cubic feet of gas for the recovery of 400 to 600 gallons of casinghead daily. Misfortune dogged their efforts; in October 1920 this plant was destroyed by fire.

Lacking sufficient funds to make a new start, C.P.P. sought outside assistance and the Royalite Oil Co. was formed to take over their assets, consisting of 4,820 acres of leases, two completed wells and one drilling well. The latter was brought into production in August 1921 with a capacity of 375,000 cubic feet of gas daily.

The idea persisted that the wet gas and light crude oil, found in the Turner Valley wells, were derived from some major pool lying at greater depth, and in September 1922 the Royalite Company spudded in their No. 4 well, designed to be a deep test of the underlying strata.

The completion of this well, in October 1924, ushered in the second phase of Turner Valley development, albeit in a rather unexpected manner.

A tremendous flow of gas, saturated with 73-degree gravity naphtha apparently came from Madison. After a spectacular fire, No. 4 was put on production and yielded as much as 600 barrels of naphtha daily.

As time went on, the productive limits of the field were gradually extended, particularly to the south. The Merland well was, the first to bring the south end of the valley into prominence and the Highwood-Sarcee well, completed in 1934, added considerably to the proven acreage, which comprised an area approximately 14 miles long by one mile in width.

The year 1930 saw a record number of wells completed and in the same year production passed the million-barrel mark.

Just as Royalite No. 4 in 1924 ushered in a new era in Turner Valley development, so the Turner Valley Royalties well, completed in the summer of 1936, began what might be termed the third chapter in the story of the field, and suggested startling possibilities as to its future.

Drilled on the west flank of the structure, and toward its southern extremity, Turner Valley Royalties entered the limestone at 6,396 ft. and, after drilling some 400 ft. in that formation, encountered a 700-barrels-daily flow of high gravity crude oil.

The next December the Foundation well, located about a mile and a half further south, encountered the limestone at 6,020 ft, and secured substantial production.

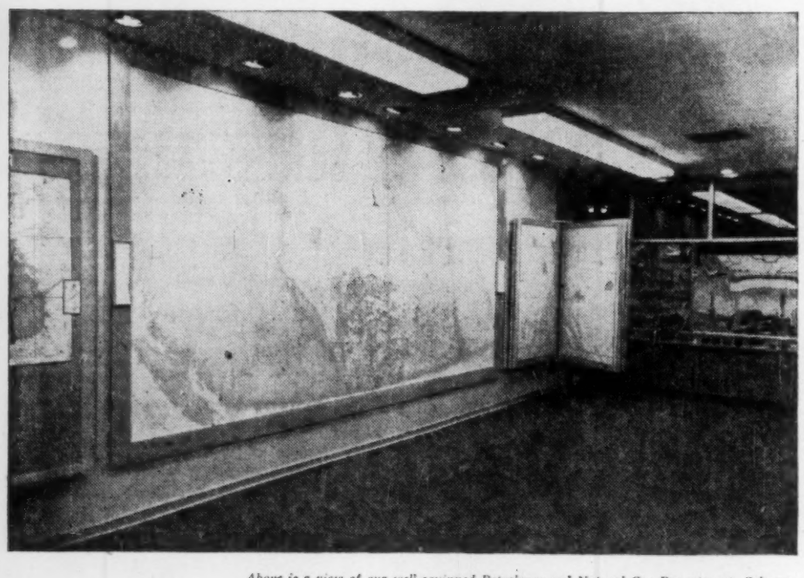
"Undoubtedly the recent developments in the Turner Valley are of great economic importance and everyone in the Canadian oil industry rejoices that at last, after so many years of disappointing effort, a valuable pool of oil has been discovered. Everyone will be in agreement as to the importance of an orderly development so as to conserve a precious national resource and to promote the best interest of producer and consumer.

"The Turner Valley has entered the third and most important stage of its adventurous career. If it be not unmindful of the errors of its youth, it may reasonably hope for a profitable future." That was what a publication of the period had to say.

Mobiloil Woodley Get New Oil Field

REGINA—The Verlo Field, a new oil field near the Fosterton Field in south-western Saskatchewan, has just been established. This was an announcement made by provincial mineral research minister J. H. Brockelbank.

An application to establish the field was submitted to the department by the Mobiloil Woodley Southern Group after its recent oil discovery in the area.



Above is a view of our well-equipped Petroleum and Natural Gas Department, Calgary, where complete up-to-the-minute records of Canada's oil development are located.

AS A SERVICE TO THE OIL INDUSTRY . . .

To afford the convenience of "on-the-spot" banking services to the oil and natural gas industry, The Canadian Bank of Commerce maintains more than 160 branches in the sedimentary basin of Western Canada.

Each of these branches is backed by the specialized skill of our Petroleum and Natural Gas Department at Calgary. This Department constantly follows and analyzes current exploration and development. Its extensive map coverage, technical data and statistical records are at your service.

For maps and other information, write to: C. H. Munro, Manager, Petroleum and Natural Gas Department, 309 - 8th Avenue West, Calgary.

(This Bank does not advise on the merits of oil or mining securities)

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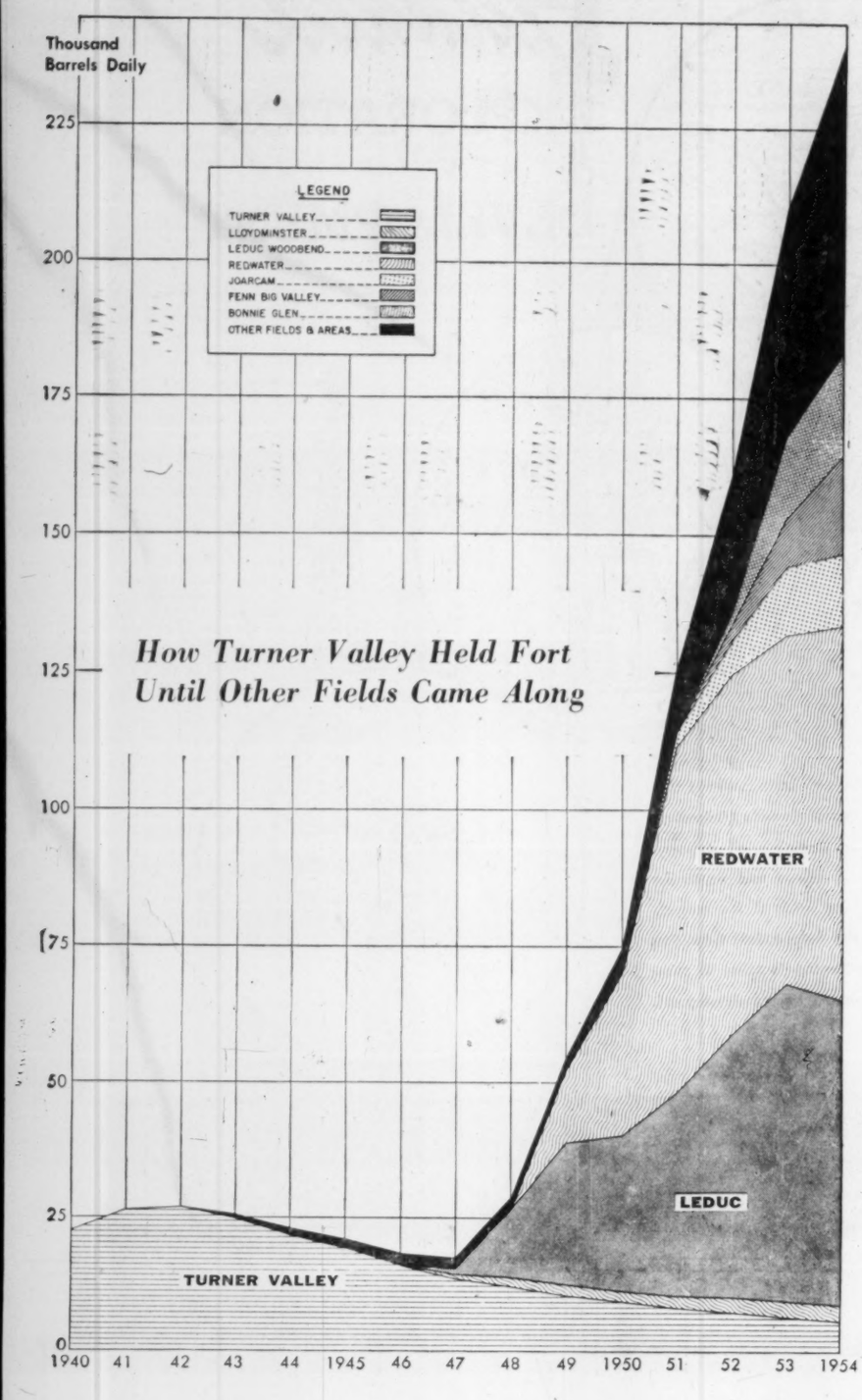


Looking Ahead

(Continued from page 27)

discover oil and gas reserves during the next 20 years several times as large as the presently known proven reserves.

Oil production will at least triple and gas production will increase many times.

Canada will become a net exporter of both oils and gas with resulting favorable effects on the nation's economy.

Pipelines will deliver oil and gas to the bulk of the cities in continental Canada. Processing of natural gas before delivery to trunk pipelines will establish a petrochemical industry of growing importance.

From the investment capital in the oil industry and the activity it causes in the fields of exploration, producing, petrochemicals, transportation, refining and marketing, thousands of secondary smaller enterprises will arise to give additional employment and investment opportunities.

The combination of all effects from the primary and secondary industries should contribute strongly to a happier and more prosperous life during and after the next two decades for all Canadians.

E. D. LOUGHNEY, vice-president, Canadian Gulf Oil Co.

As we approach the 20th anniversary of the discovery of crude oil at Turner Valley, it is interesting to review some of the developments in the petroleum industry in Western Canada over the past 20 years and also to look ahead to predict what might take place in the next two decades.

Production of crude oil from Western Canada averaged only 3,600 bbls. per day in 1936 but has increased over a 100 times since that date. Trends established over the last few years indicate that production of liquid hydrocarbons should reach nearly 1 million barrels per day by 1976. Remaining liquid hydrocarbon reserves by 1976 are estimated to be 8.3 billion barrels, a substantial increase over the 2.76 billion barrels for Western Canada at the end of 1955.

The large increase in oil reserves has been accompanied by a phenomenal increase in natural gas reserves.

We believe that future exploration and the development of existing gas fields will result in reserve increases of about 3 trillion cubic feet of gas per year for the next several years. It is estimated that natural gas reserves will climb to 62 trillion cubic feet by 1976.

These estimates are of remaining reserves after gas production, which should reach 1.8 billion cubic feet per day by 1965, has been deducted.

It, therefore, becomes apparent that the industry's problem with respect to natural gas and natural gas products will continue to be one of finding markets for rapidly increasing reserves. All investigations, such as those mentioned above, indicate that Canada may look forward to a steady growth of the petroleum industry during the next twenty years.

J. D. BOYD, president, Trans Empire Oils

I visualize:

(1) A continuance of the trend of the smaller Canadian independents to merge and consolidate their interests with the result that in 20 years there will be only 10 to 20 good-sized independents with few if any small companies operating.

(2) The influx of more and more British and European capital chiefly through the medium of the independents mentioned above, the continued influx of American capital through the major wholly or substantially controlled subsidiaries and by the entrance of more American independents into the field.

(3) A broad expansion of the pipeline industry throughout the three Prairie provinces and north-eastern British Columbia. This expansion will include the building of numerous product lines.

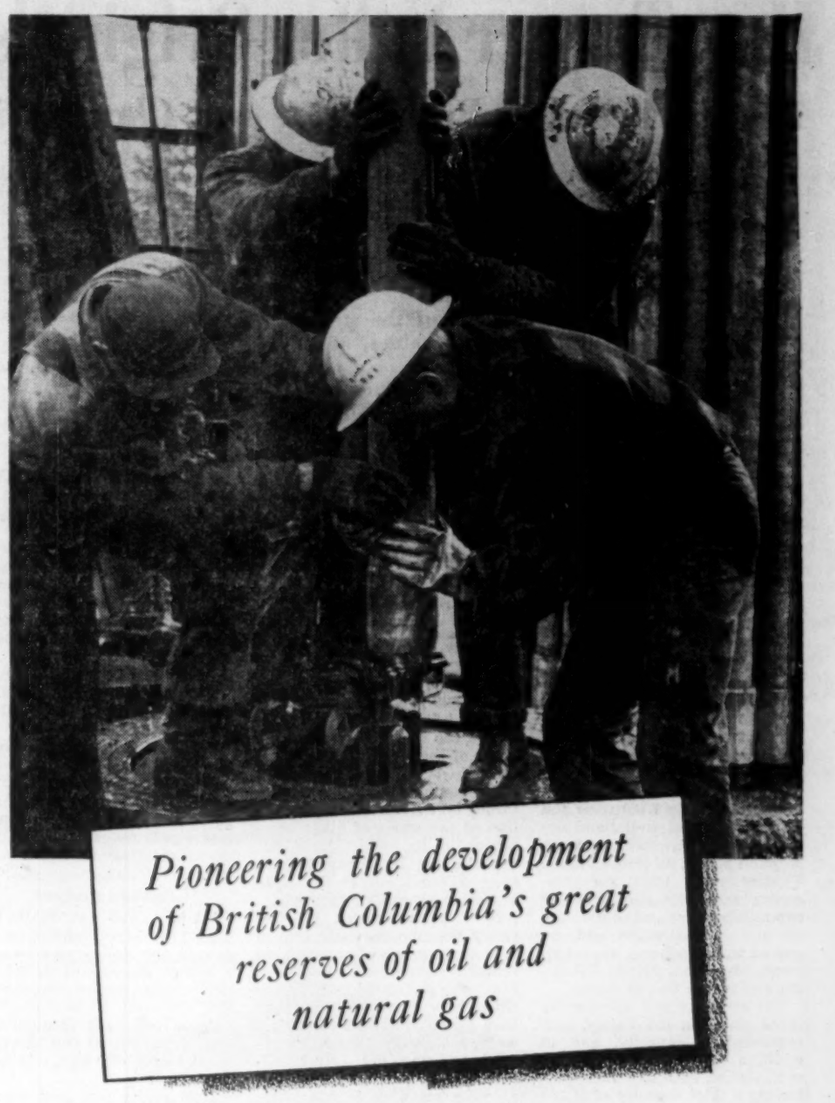
(4) Development of a substantial petrochemical industry and with it synthetic rubber plants and other related industries.

(5) The opening of the vast foothills area from the American border to the Yukon with a resultant great increase in reserves of not only gas but oil.

(6) The establishment of markets which except for worldwide recession will become stabilized taking care of all oil and gas production in Western Canada.

(7) The establishment of industries not directly related to the petroleum industry through

(Continued on page 31)



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Inland Natural Gas Company Limited will distribute low cost natural gas along the route of the Westcoast Transmission Company Limited pipeline in the interior of British Columbia.

Distribution of this amazingly efficient fuel will permit full utilization of the natural resources so abundant in the territory the Company will serve.

Inland Natural Gas
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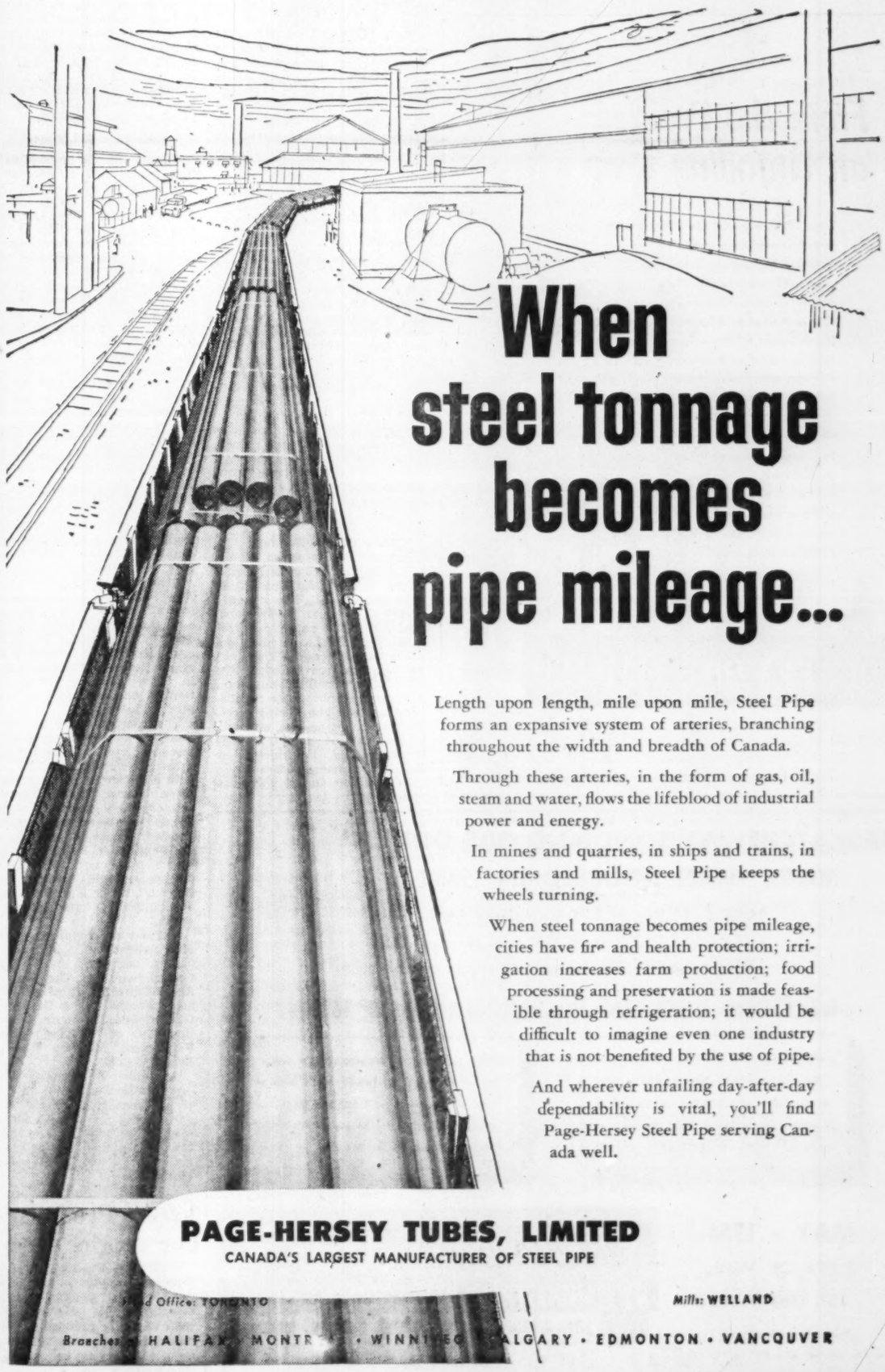

When steel tonnage becomes pipe mileage...

Length upon length, mile upon mile, Steel Pipe forms an expansive system of arteries, branching throughout the width and breadth of Canada.

Through these arteries, in the form of gas, oil, steam and water, flows the lifeblood of industrial power and energy.

In mines and quarries, in ships and trains, in factories and mills, Steel Pipe keeps the wheels turning.

When steel tonnage becomes pipe mileage, cities have fire and health protection; irrigation increases farm production; food processing and preservation is made feasible through refrigeration; it would be difficult to imagine even one industry that is not benefited by the use of pipe.

And wherever unfailing day-after-day dependability is vital, you'll find Page-Hersey Steel Pipe serving Canada well.

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CANADA'S LARGEST MANUFACTURER OF STEEL PIPE

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How Turner Valley Originals Look Now

Twenty Years of Production and Changes in Organizations

An analysis of Turner Valley history shows that many companies—major and independent—shared in the oil prosperity which Turner Valley created.

Imperial Oil, through its control of Royalite, was "in there" in the twenties.

British American Oil, one of the strong supporters of Turner Valley Royalties, has a long Turner Valley history.

But aside from the majors, the list of companies which participated in Turner Valley is almost legion. Many of the names have disappeared through amalgamations, reorganizations, or sheer bad luck. However, there are important independent oil companies today which are proud of their Turner Valley ancestry.

Here's what leading companies of Turner Valley origin show in the way of changes.

From being the largest operator in Turner Valley in 1936, **Royalite Oil Co.** has consistently expanded its field of operations until now it is the largest independent integrated oil company in Canada.

At the beginning of 1936 Royalite owned or held interests in approximately 7,580 acres and 62 producing oil wells, and operated three scrubbing and absorption plants, all in the Valley. Twenty years later the company's landholdings cover nearly two million acres and contain 343 oil and 89 gas wells, and are spread across Alberta, Saskatchewan, Manitoba, British Columbia and in the United States.

The company still operates its three plants in the Valley, now expanded in capacity, and in addition, directly and through subsidiaries, runs four refineries having a total capacity of 17,500 bbls. daily, more than 275 bulk and retail service stations serving three provinces and over 300 miles of crude oil and natural gas pipe lines. Dollar value of Royalite's assets has climbed from $9.4 million to $54.1 million, and income has kept pace with an increase from $1.6 million in 1935 to $22.3 million in 1955.

Chiefly an investment holding company in 1935, **Home Oil** again entered the exploration and development arena the following year with the acquisition of acreage on the west flank and to the north of the Valley. Since then, through its policy of expanding its holdings and activities throughout Alberta and acquisition of the assets of other companies in its field, Home has mushroomed its assets from a mere $1.5 million at the close of 1936 to $34 million last year.

Most recent result of this policy was the purchase late in 1955 of the assets of an affiliated company, Federated Petroleums Ltd., and its subsidiaries. Thus Home now has a stake in more than 360 oil producers and 36 gas wells, mainly in Alberta, representing reserves of nearly 40 million bbls. of crude oil and natural gasoline and 367 billion cubic feet of natural gas, net to the company.

Of great importance to the company's future is its recent discovery of the Westward Ho-Harmattan light oil fields north of Calgary, now under intensive development by the company and others. Entry into the pipe line field has also been effected through a subsidiary, which is constructing a line for the transportation of crude from these pools to Calgary refineries.

Calgary & Edmonton Corp. formerly derived its income from leasing to other operators its extensive land holdings, which were concentrated mainly in the area to the north and south of Calgary. In 1936 the corporation gave an option to Royalite on 1,680 acres in Turner Valley, and it now holds royalty and/or participating interests in 69 oil and 19 gas wells in that field.

By 1946 the corporation's Valley lands were nearly all developed and it began its present policy of participating in exploration in other districts of Alberta, with most successful results. Calgary & Edmonton now has a stake in 114 oil wells and 14 gas wells in other Alberta pools including such hot areas as Pembina and Westward Ho. Income has likewise jumped from about $73,000 in the June 30, 1936, fiscal year to $2 million in the 1955 fiscal period.

Assets of the corporation have also risen from $500,000 to $3.5 million in the two decades, and neither figure includes the corporation's greatest asset, its mineral rights covering 1.1 million acres, which are unvalued in the company's books.

Okalta's Progress

Twenty years ago **Okalta Oils** held 5,043 acres, mostly in and around the Valley, and enjoyed a modest income of $2,853. In 1955 gross income aggregated $521,726, and will be further increased this year through further acquisitions and development, now under way, of proven properties.

During the past few months Okalta has purchased all or a share of the assets of several companies, including Jasper Oil Corp., Legion Oils Ltd., Flock Gas & Oil Corp. and Crystal Oils Ltd. This gives the company an interest in 771,684 gross acres in Alberta and Saskatchewan equivalent to 100% ownership of 491,767 acres of prospective or productive oil and gas lands.

United Oils Ltd., which in 1936 counted as one of its chief assets a holding of 590 undeveloped acres in the Valley, now holds working control of one of Canada's largest independent oil and gas producing companies, Home Oil Co. In addition United is still active in the field and is currently engaged with others in drilling out its proven acreage in the Pembina field. Assets of the company, which added up to less than $700,000 in 1936, totaled $6.6 million at May 31, 1955.

Mill City Petroleums in 1936 held some land in the Valley and received a gross income of $41,605 from a stake in five wells. Marking time until a few years ago, the company then branched out into other areas of Alberta and Saskatchewan. In 1953 Mill City picked up the assets of Leduc Consolidated Oils and last year took over another old-time Turner Valley company, Mercury Oils Ltd.

Now the company receives revenue from some 30 oil wells, while 14 potential gas producers are shut in awaiting the development of a market. The combined earnings of Mill City and Mercury exceeded $300,000 last year.

New British Holdings

New British Dominion Oil Co. Ltd., successor to the long-established British Dominion Oil & development Co., has recently branched out into the chemical field with a 20% share in Northwest Nitro-Chemicals Ltd., and has a half interest in a natural gas pipe line now building. The chemical firm will manufacture nitrogen and phosphate fertilizers at its new plant being erected near Medicine Hat, and will utilize natural gas from the Etzikom field, in which New British also has a 50% stake.

In addition to all this New British holds an interest in 13 oil wells and 20 gas wells, and in extensive undeveloped acreage in Alberta, British Columbia and Montana.

These substantial assets compare favorably with the predecessor company's 1936 holdings comprising 582 acres in Turner Valley, Elbow Structure, Moose Dome, Bow and Arrow and Two Pine areas of Alberta and ownership of one producing oil well.

Commonwealth Petroleum, which even in 1936 was largely an investment holding concern, now has as its chief assets stock control of Command Oils Ltd., Commoil Ltd. and Commonwealth Drilling Co., one of the largest well-drilling organizations in Canada. Dividends received by Commonwealth Petroleum from these companies aggregated $1,037,502 in the fiscal year ended Sept. 30, 1955, while production revenue amounted to only $68,968. This compares with total income of $8,162 in the 16 months ended Jan. 31, 1936.

Canadian Anaconda Oils Ltd., known under the name of Anaconda in the old days, has expanded its activities to include a minor partnership in the Redwater and Leduc fields and a small share in two large gas wells on a 78,000-acre spread at Savanna Creek in southern Alberta.

East Crest Oil Co. went through a recapitalization and emerged as Consolidated East Crest. It now has proven oil reserves estimated at more than 1.2 million barrels from its portion of 22 oil wells, while natural gas is represented by a major share of three wells. Lately the company pooled a 40,000-acre reservation along the Granite Wash trend in northern Alberta with 180,000 acres held by other operators, giving East Crest an 18% stake in the 220,000-acre block.

The affairs of **Spooner Oils** and **Highwood-Sarcee Oils** have recently been taken over by a Toronto group. Spooner has broadened its sphere of activities to include mining with the acquisition of 114 claims in Northern Ontario, Quebec and Manitoba. Its oil interests include partnership in 18 wells and more than 125,000 acres of potential oil and gas lands in the three Prairie Provinces. Highwood has a participating or royalty interest in 14 oil and five gas wells.

Another Old Timer

Alberta Pacific Consolidated Oils, which held only royalties in Turner Valley wells in 1936, recently merged with Sunset Oils, another old timer. Company now has a varying stake in 338,949 acres in Western Canada and in 11 oil producers and five gassers. With its associates the company is surveying a block of 60,000 acres in the Buffalo Head Hills area of northwest Alberta, and has farmed out a further 60,000 acres for exploration by another company.

Vulcan Oils' most important asset now is a small but growing share in the exploration and development program of Home Oil and its partners in south and central Alberta. The project has so far resulted in the completion of 25 oil wells and three potential gas producers in the Pembina, Westward Ho-Harmattan and Erskine fields. Other natural gas assets of Vulcan include four wells at Bindloss, waiting to be coupled on to the Trans-Canada pipe line to the east.

Richfield Petroleum (now New Richfield) has disposed of its wells in the Valley and holds a major part of eight oil producers in the Leduc field. The company's latest venture is the acquisition of 200 mining claims in New Mexico, which are flanked on three sides by uranium producers.

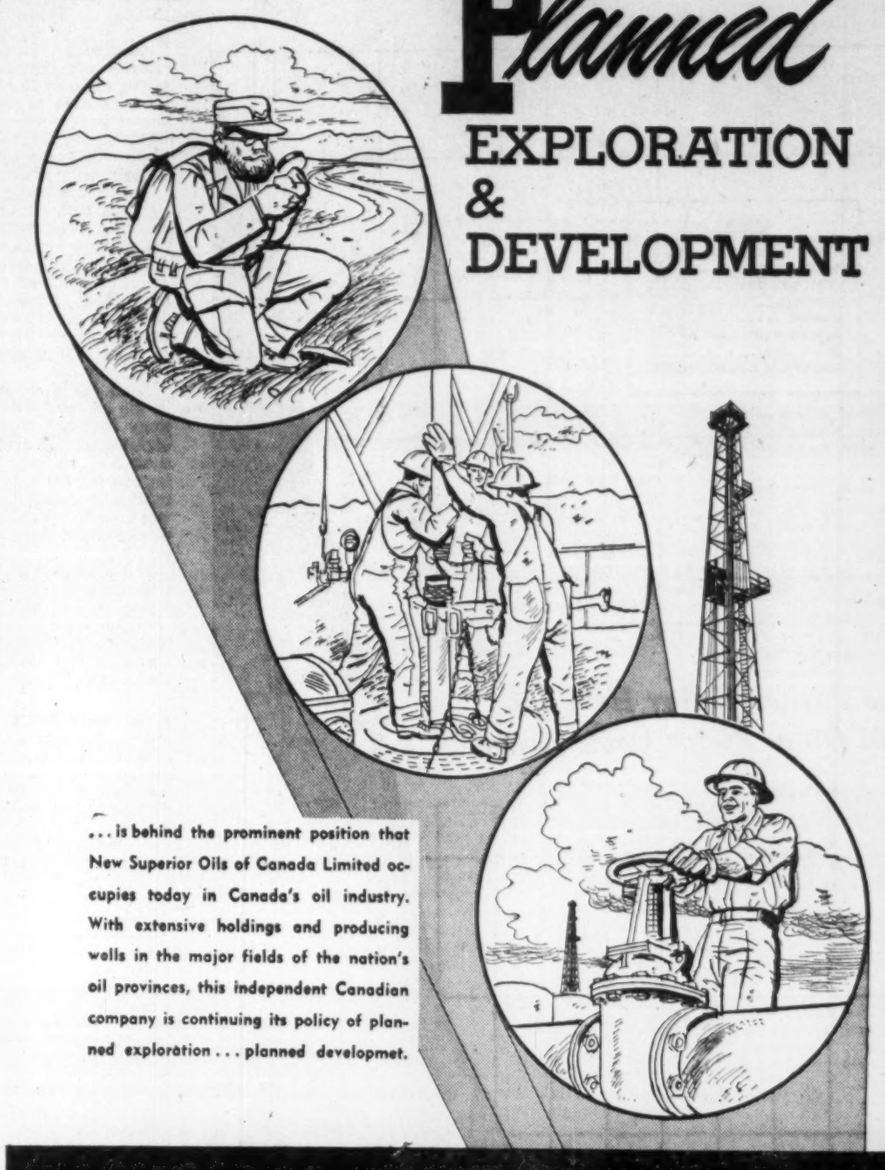
The companies which drilled the two successful deep limestone oil wells completed in Turner Valley during 1936 have both disappeared as separate entities. **Turner Valley Royalties Ltd.** became a subsidiary of Federated Petroleums, which in turn has been absorbed by Home Oil Co. **Foundation Petroleums Ltd.** was merged with eight other companies into Amalgamated Oils Ltd., which is in the process of liquidating its remaining assets.

Mergers and acquisitions have also claimed many other companies active in the Valley twenty years ago. These include **Anglo-Canadian Oils Ltd., Calmont, Foothills Oil & Gas, Model Oils, McDougall-Segur Exploration Co. of Canada, Lowery Petroleums, Mercury Oils and Sunburst Oils.**

A number of formerly active organizations are still in existence, conserving their assets and hoping for a break, a good deal or perhaps an amalgamation. More than a few are inactive or have disappeared entirely.

2-Zone Producers For Anglo Amer.

REGINA—During May Anglo American Exploration became the first oil company in Saskatchewan to receive permission to dually produce on a permanent basis, Saskatchewan's mineral resources minister J. H. Brockelbank reports.



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... is behind the prominent position that New Superior Oils of Canada Limited occupies today in Canada's oil industry. With extensive holdings and producing wells in the major fields of the nation's oil provinces, this independent Canadian company is continuing its policy of planned exploration ... planned developmet.

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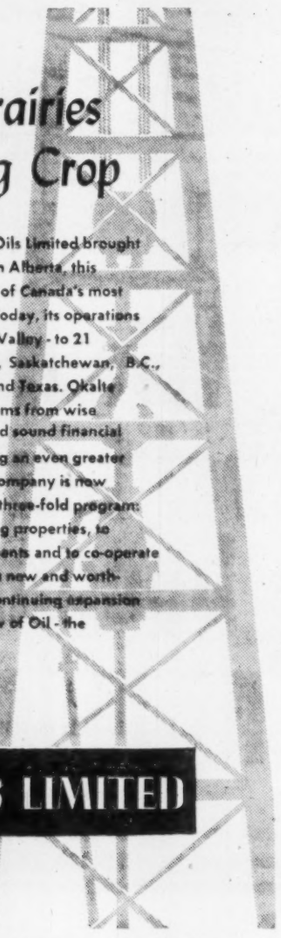


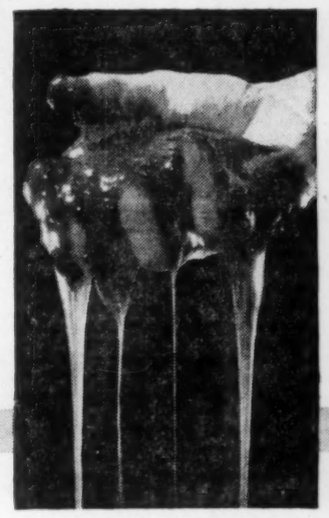
From the Prairies an Unfailing Crop

Since 1926, when Okalta Oils Limited brought in its first producing well in Alberta, this Company has become one of Canada's most successful independents. Today, its operations extend far beyond Turner Valley - to 21 different areas of Alberta, Saskatchewan, B.C., North Dakota, Wyoming and Texas. Okalta Oils' record of progress stems from wise management, foresight and sound financial policies. Towards acquiring an even greater share of oil reserves, the Company is now undertaking an agressive, three-fold program: to purchase more producing properties, to participate in oil developments and to co-operate with other oil companies in new and worthwhile ventures. Okalta's continuing expansion means ever-increasing flow of Oil - the Prairies' richest "crop"

OKALTA OILS LIMITED

Check off your OIL-DEVELOPMENT Problems

- ✓ Company Formation
- ✓ Exploration Regulations
- ✓ Reservations of Oil and Gas Rights
- ✓ Lease Terms and Royalties
- ✓ Taxation and Exchange



THEN CHECK WITH
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NO STOCK RECOMMENDATIONS
While the Bank is prepared to provide all available information on the oil industry, it does not make recommendations regarding the purchase of individual oil stocks.

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WORKING WITH CANADIANS IN EVERY WALK OF LIFE SINCE 1817

SASKATCHEWAN'S OIL AND GAS OUTPUT MORE THAN DOUBLED IN 1955!

1955 — 11,316,905.79 barrels of crude oil
1955 — 11,252,970.48 MSCF of Natural Gas
1956 — 18,000,000 barrels of crude oil forecast

RECORDS BROKEN IN FEBRUARY OF 1956!

Daily production of crude oil in February of 1956 was 45,205.34 barrels, with a total for the month of 1,310,955 barrels—which is almost double the 675,835 barrels produced during February of 1955.

Daily production of Natural Gas in February of 1956 was 51,105.86 MSCF, with a total for the month of 1,482,070 MSCF — which again is nearly double the 894,347 MSCF produced during February of 1955!

MAY - 1956
1,794 Oil Wells
137 Gas Wells
In production

Saskatchewan
INDUSTRIAL DEVELOPMENT OFFICE
12th AVENUE AND LORNE STREET, REGINA
MINISTER • HON. T. C. DOUGLAS • DIRECTOR • D. H. F. BLACK

Looking Ahead

(Continued from page 29)

the availability in this area of cheap power from gas and oil products (the effect of atomic power will not in my opinion be a factor during the immediate future and will not have any profound influence on this trend for at least 15 years.)

The result will be great population growth which will in itself make the establishment of industry self-propagating.

J. GRANT SPRATT, managing director, Triad Oil Co. Ltd.

Canadian oil industry trends for the next 20 years should include: Continued increase in production for at least a good portion of that period. A relatively high rate of exploration and development will also be required to keep pace with Canada's growing market requirements and to meet partially foreign market needs in such countries as the United States.

Middle East and South American oil will continue to provide stiff competition in certain east and west coast North American markets.

Expanding pipeline facilities will be required to permit Canadian oil to compete with foreign crudes in certain east and west coast North American markets.

The beginning of gas pipeline outlets to both eastern and western Canada and the adjoining United States should benefit both the industry and Canada as a whole. Initial wellhead gas prices, however, are not generally attractive to the producer.

The petrochemical industry, which has already made an impressive start in Canada since the development of major gas and oil reserves, is bound to increase substantially.

All of the above will require vast amounts of development capital and it is obvious that Canadian oil and gas interests will have their work cut out for them during the next few years.

NEIL McQUEEN, president, Central Leduc Oils Ltd.

My thinking is that at the end of the next 20 years the Western Canadian oil industry will have found and developed recoverable oil reserves, exclusive of the tar sands which when added to present reserves, will exceed the total recoverable reserves of the United States. The incidence of discovery in Alberta will continue to improve and reserves will be established at approximately the same rate as the last few years.

A very much stepped-up-exploration program in Saskatchewan will provide the big surprises principally in the Williston Basin area covering the south east corner of the province, which area includes some 8 or 9 thousand square miles.

In this area the presently known producing zones in the Mississippian will show up reserves of between 2 and 5 billion barrels, but the major reserves in this area will be developed in the deeper part of the basin when the riddle of the deep structural and depositional conditions are worked out.

The many known porous horizons in the Devonian silurian ordovician and probably cambrian will be responsible for these major reserves.

DR. T. A. LINK, president, American Association of Petroleum Geologists

To the question of "What do you think will be the outstanding trends in Western Canada's Oil Industry during the next 20 years?" I might reply that the answer to that would be similar to the following question: "What would happen if a perfectly normal and healthy male 20 years of age be stranded with a perfectly normal female of comparable age on an island from which there were no escape?"

The inevitable would happen, and the outstanding trend would be multiplication unless unsuspected government intervention would alter the natural setup.

Since the above question about Western Canada's oil industry was posed in connection with the celebration of the 20-year anniversary of oil discovery in Turner Valley, a bit of history might help matters out.

Some 43 years ago a soap manufacturer from Pennsylvania, A. W. Dingman, played the leading role (with others such as Wm. S. Herron, etc.) in the promotion, drilling and discovery of wet gas in relatively shallow sands of Cretaceous age in the then termed "Sheep River Gas Field" of Alberta. About 12 years later in 1924 the famous wonder well Royalite No. 4 blew in, out of control, after encountering high-pressure wet gas in the Madison limestone of Paleozoic age. Another 12 years elapsed, during which time the gas cap of Turner Valley was being exploited, the pressures dissipated, and gas wasted, in order to gain the liquids from it. In 1936 (20 years ago) Bob Brown, Sr., completed the so-called crude oil discovery well on the west flank of the field termed Turner Valley Royalties No. 1.

For almost a dozen years after the Turner Valley Royalties No. 1 discovery not too much effort was expended in looking for new fields in Western Canada because of the mistaken contention that there would be no markets. However, since early in 1947, when the Leduc oil discovery was made by Imperial Oil Ltd. near Edmonton, Alberta, the lid has literally and actually been blown off the top of the oil and natural gas discovery efforts in Western Canada.

This brings us back to the original question. Less than ten years have elapsed since Leduc No. 1 and multiplication of reserves and efforts to find more oil, natural gas and their by-products is an established fact, and the trends for the next 20 years will be further multiplication.

There are several reasons for this, but the main ones are that the demand for petroleum products, that is both crude oil and natural gas, will continue to rise, and since the Western Canada Sedimentary Basin area has just been scratched as far as the drilling of exploratory holes is concerned, the effort to find liquid and gas hydrocarbons will continue at the pace set since the Leduc discovery.

Once the presently established natural gas markets in Eastern Canada are actually receiving this product more markets will be forthcoming, and thus the snowball grows larger, and the efforts to discover more natural gas reserves grow correspondingly.

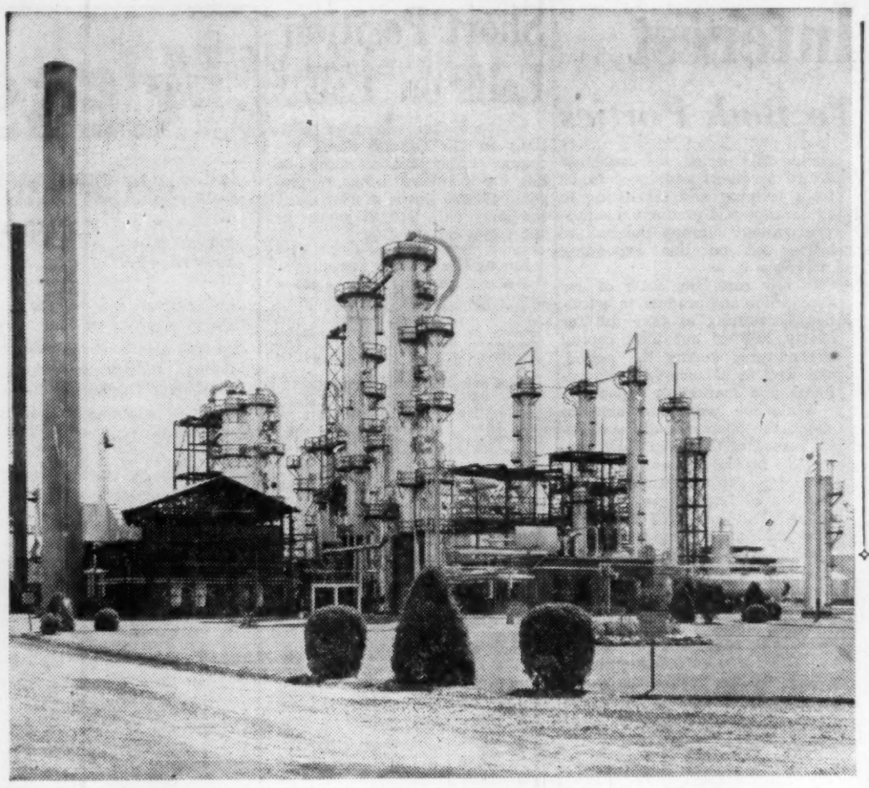
This tendency with respect to crude oil has already been amply demonstrated, and also applies to all related by-products gained from petroleum and natural gas.

Industrialization of the West will also create many new local markets for petroleum, natural gas and their derivatives.

C. R. WALKER, president, Merrill Petroleums Ltd.

I believe that an increase in daily production to possibly 1½ million barrels per day will be the outstanding development in the Western Canadian oil industry during the next 20 years. This growth in production rate will be attended by similar developments in the associated fields of natural gas transmission, refining, petrochemicals and pipeline transportation.

Canada should develop during this period into one of the world's major producers and consumers of fossil fuels.



This B.A. Oil refinery at Calgary went on stream in 1939, with Turner Valley crude literally on its doorstep. Valley crude provides just about the top grade of raw material for a modern refinery.

Turner Valley Still Leads In Natural Gas Production

	March, 1956 Month	Cumulative for year	Feb., 1956 Month	March, 1955 Month	Cumulative for year
	M.C.F.	M.C.F.	M.C.F.	M.C.F.	M.C.F.
Acheson	122,980	401,650	126,016	119,077	365,262
Bonnie Glen	660,562	1,899,229	664,526	913,694	1,902,482
Fenn Big Valley	267,718	726,377	219,004	210,014	615,975
Fort Saskatchewan	514,560	2,219,975	734,765	472,838	1,564,056
Jumping Pound	1,879,472	5,392,553	1,619,854	1,230,535	4,310,728
Leduc-Woodbend	1,463,252	4,326,195	1,416,840	1,270,012	3,732,319
Medicine Hat	927,388	2,882,362	948,028	757,816	2,185,852
Morinville	416,432	1,052,929	331,436	381,391	1,113,894
Pakowki Lake	1,182,929	3,609,349	1,200,265	1,157,884	3,366,706
St. Albert	351,933	952,441	275,758	310,113	872,019
Turner Valley	2,811,681	9,148,118	3,025,749	3,215,334	9,209,881
Viking Kinsella	2,347,898	8,478,910	2,785,373	2,765,981	7,723,105
Other Fields & Undefined Pools	5,321,242	15,848,420	5,189,545	3,095,517	9,291,808
Total Alberta	18,268,047	56,938,508	18,517,159	15,900,406	46,254,087

Home Adds 2 At Harmattan

Home Oil Co. has announced successful completion of two development oil wells in the Harmattan oil field. Restricted flow teats on Home Oil-C. & E. Harmattan 7-7 indicated a rate of production of approximately 49 bbls per hour through a 24/64-in. beam with a gas/oil ratio of 664. Home Oil-C. & E. Harmattan 3-5 also flowed at the same hourly rate indicating a gas/oil ratio of 1,200.

A seventh well in this field, Home et al Elkton 7-32 is currently completing in the Madison Limestone, and is assured of being a good producer. This well is a ¾-mile southeasterly extension from known production and is now in the process of production testing.

The company also advises that it plans to drill on two parcels of land purchased at the May 24 Crown auction.

Home et al Bonnie Glen 11-29 will be drilled on Lsd. 11-29-47-27-w4. This well will be located on parcel No. 6 purchased in the Bonnie Glen field. The second Home et al Sundre 9-22 located in Lsd. 9-22-33-4w5 will be drilled on parcel No. 1 purchased in the Sundre field. Drilling will get under way immediately.

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CHATHAM KITCHENER ST. THOMAS LEAMINGTON WINDSOR

ESTABLISHED 1857

The B-A "Turner Story"

When British American Oil supplied funds in 1936 to Robert A. Brown and George Bell to drill a well in Turner Valley, B-A soon found its prosperity linked to this famous Canadian field. The well was Turner Valley Royalties No. 1. Its successful completion resulted in Canada's first major crude oil source, in what had been regarded as a naphtha field.

B-A's early participation in Turner Valley forms a highlight of the 50-year-old company's record, recounted this month in an anniversary issue of the employee magazine, B-A Commentator.

In the year of Turner Valley, British American was just 30 years old but, in the comparatively short time since its founding by A. L. Ellsworth, had become a completely integrated oil company.

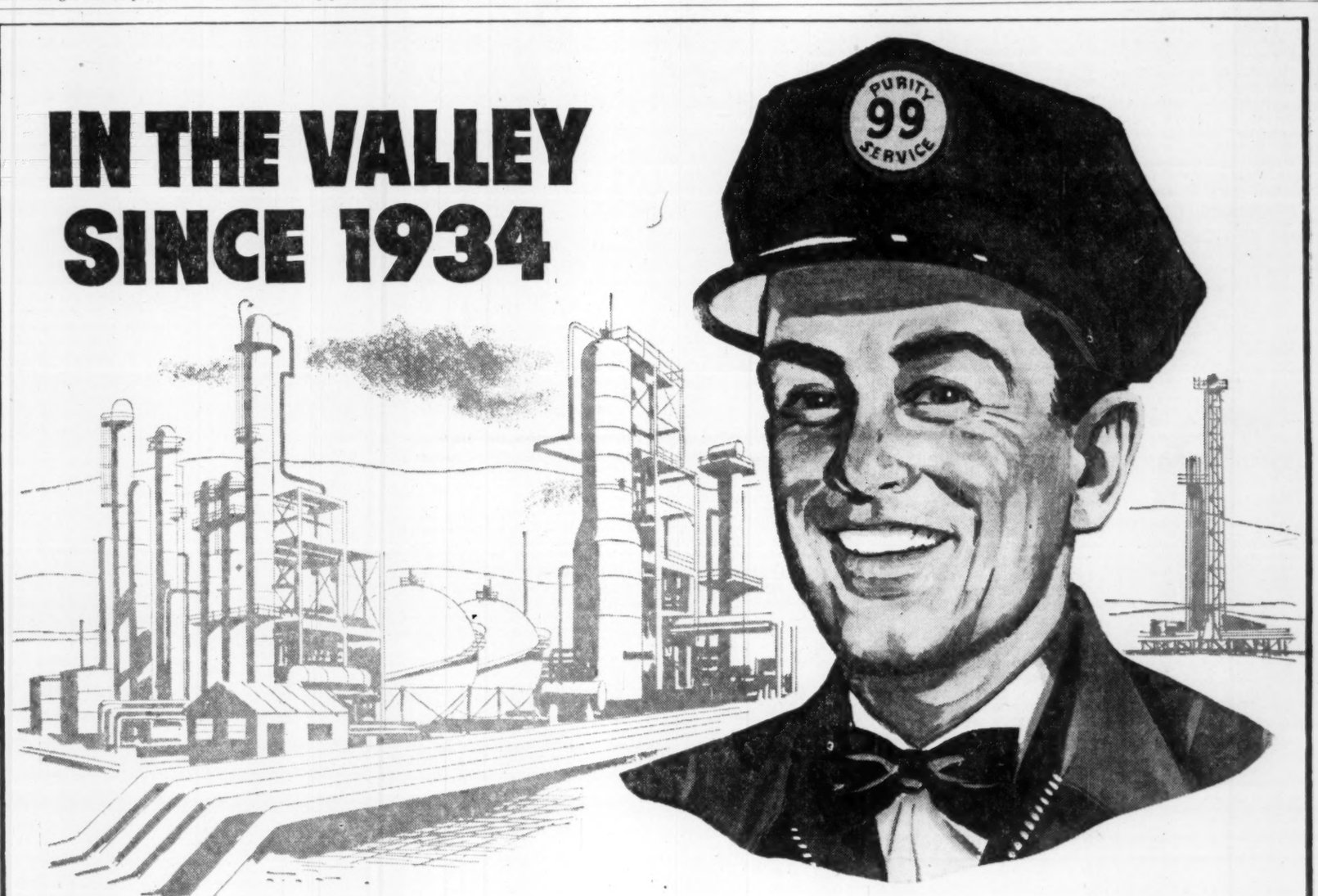
"Exploration activity by British American in Western Canada was another highlight of 1936," runs the Commentator account. "Prior to that time the Turner Valley had been considered a naphtha field. Then B-A supplied funds to two independent drillers, Robert A. Brown and George Bell, the latter a proprietor of a Calgary newspaper.

Two years before the Turner Valley 1936 discovery, the company entered the refining field with the purchase of Northwest Stelarene Company's interests at Coutts, Alberta. The following year B-A invested in the natural gas industry with the construction of an absorption plant at Longview to supply the Calgary market.

Following the Turner Valley discovery, B-A's production of Alberta's crude increased steadily.

By 1939, as the Commentator story records, B-A's Coutts refinery was too small to handle the growing Turner Valley crude oil production. As a result, a refinery was built at Calgary and went on stream in 1939.

IN THE VALLEY SINCE 1934



... and still developing Canada's Resources

PURITY 99 PRODUCTS

ANGLO AMERICAN EXPLORATION LTD., Canada's fastest growing Oil Company, is one of the early pioneers of the Turner Valley Oil Field. Our Company's history dates back to 1934 with the construction of a small absorption plant in the valley and a year later, the first PURITY 99 Gasoline was made available to the public through one retail outlet.

Today, the company having just completed a new reforming unit now possesses one of the most modern refineries in Canada and together with 814 Retail Outlets distributing its products throughout the four western provinces, can justly claim the title of "Canada's fastest growing Oil Company". The Company—with its subsidiaries — Gridoil Freehold Leases and Canadian Williston Minerals Ltd., have embarked on the most extensive drilling program in their history to further increase their substantial reserves of oil. These Companies hold over 3 Million net acres, most of which is freehold, at an acreage carrying cost of 2c per acre per year, thus potentially assuring the Company of many millions of barrels of Crude Oil at the lowest possible cost.

This places Anglo American in a position to plan and project a Refining and Marketing Program throughout Canada, all of which may well be accomplished within the next 10 years. It is this careful planning that has made Anglo American one of the largest, Canadian controlled fully integrated Independent Oil Companies.

The past has been kind to our Company—However we believe its future is indeed unparalleled in Canada.

ANGLO AMERICAN
EXPLORATION LTD.
PRODUCERS • REFINERS • MARKETERS

ONE OF CANADA'S LARGEST INDEPENDENT OIL COMPANIES

Why B-A Sold Majority Interest

Considerations Which Made Deal Attractive To Both Parties

The sale of a majority interest in a Canadian firm involves some heart-searching decisions for both sides.

At the recent annual meeting of British American Oil Co., which overwhelmingly voted in favor of turning over numerical control of the company to Gulf Oil Corp. in exchange for Canadian Gulf's assets, President M. S. Beringer of B-A outlined some of the main considerations which made the deal attractive to both parties.

Here's a digest:

By M. S. BERINGER

Some of our shareholders have expressed concern that if the proposed transaction is consummated, approximately 59% of the capital stock of British American will be owned by Gulf Oil Corp., a U. S. company, and that as a result control of one of our largest Canadian companies will have passed to a U. S. corporation. We are asked why this could not have been accomplished by some other route than the issue of common stock which would result in Gulf Oil Corp. owning approximately 60% of the outstanding capital stock of British American. For instance, could British American not have issued bonds to the amount necessary to buy the assets of Canadian Gulf?

One estimate of the amount was $340 million, arrived at by multiplying the maximum number of 8,335,648 restricted common shares which would be issued to Gulf under the offer by the current market price of British American stock.

Assuming for the moment that Gulf would have been willing to part with their extensive holdings in Western Canada for cash or debentures, this estimate of $340 million for the value of Canadian Gulf's properties would fall far short of the price which would have to be paid for these properties even on a break-up basis, and ignoring altogether the considerable value of Canadian Gulf Oil as a going concern with a remarkably successful record of operations.

It was only because we were able to convince Gulf of the potential growth and development which we believe lies ahead for British American with the added strength which the assets of Canadian Gulf will give to the company, and which we believe will be reflected in a steady growth in shareholders' equity in the future, that we were able to negotiate a proposal on terms which we consider highly favorable for the shareholders of British American.

High Hopes Of Value

We have high hopes that the properties of Canadian Gulf may eventually prove to have a value substantially higher than the value which was established by the Joint Evaluation Committee for the purpose of determining the number of restricted common shares to be issued to Gulf for these properties.

For example, the discovery of only one major oil field on the undeveloped acreage which would be acquired from Canadian Gulf would substantially increase the value of these properties.

It is hardly to be expected, therefore, that Gulf would be willing to part with these valuable holdings except on a basis which would permit them to share in any appreciation in their value over and above the value assigned to these holdings for the purpose of establishing a basis for our offer. Such an appreciation in value would accrue to the benefit of all shareholders of British American.

In any event, the suggestion that British American might have financed the acquisition of Canadian Gulf by the issue of bonds is not a very practical one.

General Electric is one of the largest corporations in the U. S. with total assets of $1.7 billion and net earnings in 1955 of $200 million, but even so, its recent $300 million debenture issue was one of the largest blocks of corporate securities ever offered for public subscription.

In addition to the money which would be involved in an outright purchase and sale of Canadian Gulf's properties, substantial amounts of capital will be required for the greatly expanded operation which is contemplated for the company in the next few years, not only in exploration and production but in refining, marketing and transportation as well.

Raising all this money through the issue of debentures or other funded obligations would impose a staggering burden of debt which would seriously impair the earning capacity of the company for several years and its ability to maintain dividends at a level which would ensure a reasonable return on investment for our shareholders.

Control Distinction

On the control aspect of the proposed transaction, there is a very real distinction between being in a position to exercise control of the affairs of a company and the actual exercise of control.

With ownership of 59% of the capital stock of British American, Gulf Oil would be in a position to exercise control of the company, if it so desired.

However, Gulf at the present time owns approximately 2,300,000 shares of British American, or roughly 25% of the total number of shares outstanding. British American has approximately 27,000 shareholders with an average holding, exclusive of the 2,300,000 shares held by Gulf, of approximately 267 shares.

If Gulf had been seeking to exercise control of British American, I do not believe that any realistic appraisal of the situation could lead to any other conclusion but that the 25% share interest which Gulf has at the present time would be sufficient to enable Gulf to exercise effective control of British American.

The fact that Gulf did not buy additional stock on the market or offer its own stock in exchange to get more B-A shares, I take as an indication of confidence on the part of Gulf, as the largest single shareholder of British American, that British American's record of achievement in the past will be maintained in the future in a greatly expanded operation. Moreover, I think it is a clear indication that Gulf has no intention of exercising control over the direction of the affairs of British American so long as the company is successfully operated under its present management.

U. S. Capital

While we are on this question of control, you have all heard and read in recent months a good deal of criticism directed against the domination of United States capital in certain basic Canadian industries, and particularly in the so-called "natural resource" industries.

I do not believe that any thinking person in Canada is opposed to the investment of U. S. capital in the development of our natural resources and other basic industries. As a young country only on the threshold of its potential economic development, funds available in Canada for capital investment are necessarily limited. Without the inflow of U. S. capital, the rapid postwar growth and development of the Canadian economy and the higher standard of living which has resulted from this prosperity, would not have been possible. Canada needs and welcomes U. S. capital in the development of its basic industries.

At the same time I think that most Canadians feel that they should have an opportunity to participate as partners in this development. This feeling leads to a natural and quite understandable resentment against the exclusion of Canadian participation in ventures which are financed by capital from the U. S.

The proposed acquisition of Canadian Gulf by British American offers to Canadians a unique opportunity to participate in the return which will be realized from the discoveries which Canadian Gulf has made to date and which have been financed to date entirely by U. S. risk capital. Moreover, it offers to Canadian shareholders of British American, present and future, an opportunity to participate in the future development of the oil and gas resources of Canada to a much greater extent than would have been possible without our acquisition of Canadian Gulf.

Exploration

One shareholder asked whether British American, through its own exploration efforts, could not have increased its reserves of crude oil to the point where there would be no need for it to acquire proven reserves from an established producer.

In the last seven years our capital expenditures for exploration and production exceeded $100 million and accounted for nearly 50% of the total capital expenditures of the company during this period.

With a rapidly expanding market for petroleum products in Canada which saw an increase of over 100% both in our total sales volume and in our refinery runs during this period, we could not afford to divert additional funds from refining and marketing to exploration and production activities without running the risk of losing out on this expanding market.

In any case, the scale of our exploration and production activities, accounting as they did for nearly 50% of our total capital expenditures during the period, was well in balance with our refining and marketing expansion.

While we were not able to match the phenomenally successful record of Canadian Gulf during this period, the results of our own exploration activities, and our cost of finding new reserves of crude oil compared favorably with that of the industry as a whole.

Canadian Gulf has had an outstanding record and its cost of finding the very substantial reserves of oil and gas which it now owns, has been well below the average for the industry as a whole. In the result, the value at which those reserves were carried on Canadian Gulf's books at Dec. 31, 1955, was only about $49 million. The most conservative estimate of the economic value of these reserves would be at least five or six times this figure.

Benefits

The benefits for Gulf Oil include:

(1) Gulf will own approximately 59% of the outstanding capital stock of British American as compared with the present 25% interest.

In effect, therefore, for an additional 34% interest in the present refining, marketing, transportation and production facilities of British American, Gulf is prepared to surrender a 41% interest in its oil and gas properties, undeveloped acreage, and pipeline facilities in Western Canada.

(2) Gulf is able to participate in the Canadian expanding market for petroleum products through a company with an established position in the industry, rather than by direct entry into an already intensely competitive situation.

(3) Moreover, the same advantages of integration of production with refining and marketing facilities in Canada which apply to British American's operations in Canada, apply also in the case of Gulf.

(4) Gulf can consolidate their Canadian interests in one integrated company.

(5) With their present 25% share interest in British American, any proposal that will materially strengthen British American's position in the industry, will indirectly benefit Gulf as well.

The main advantages of the proposal to British American are:

(1) An almost fourfold increase from 113,000,000 to 413,000,000 bbls. in British American's net reserves of crude oil, condensate, and natural gas liquids.

(2) An immediate increase in net production of crude oil from 29,000 bbls. per day in 1955 to an estimated 60,000 bbls. per day in 1956.

(3) British American, on completion of a pipeline to transport gas to Eastern Canada and other markets, would become the largest producer of natural gas in Canada and also the largest producer of sulphur and liquid petroleum gases.

(4) What may possibly prove to be the most valuable asset which British American would acquire is the undeveloped acreage held by Canadian Gulf, consisting of over 9,000,000 net acres.

(5) The pipeline holdings of Canadian Gulf in such major facilities as the Interprovincial and TransMountain pipeline systems, the Peace River Oil Pipe Line Company and their wholly-owned Canadian Gulf Pipe Line Co.

(6) Acquisition of the successful Canadian Gulf exploration and production team, close to 95% of whom are Canadians.

ANNOUNCEMENT

RHEEM CANADA LIMITED

MR. TRUMBULL WARREN

Mr. J. A. Gairdner, Chairman of the Board of Directors of Rheem Canada Limited, announces the appointment of Trumbull Warren as President. The appointment was made at a recent meeting of the Board of Directors.

Oil Exploration

and

Development

CENTRAL EXPLORERS

Limited

44 King St. West, Toronto, Ont.

Company Reports

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

Public Utilities

OTTAWA VALLEY POWER CO., Montreal, net profit for 1955 was $193,837, 10.8% lower than net profit of $217,263 for 1954.

INCOME ACCOUNT

Years Ended Dec. 31:	1955	1954
Net earnings	$771,425	$808,365
Less: Deprec.	181,005	180,950
Bond interest	211,087	211,088
Income tax	185,496	199,034
Net profit & surplus	193,837	217,263
Times Bond Interest Earned:		
Before deprec.	3.68	3.83
After deprec.	2.80	2.97
Earned per Share:		
Common	$3.86	$4.35
None paid.		

BALANCE SHEET

As at Dec. 31:	1955	1954
Cash	$97,321	$663,722
Accts., etc., rec.	99,009	76,250
Investments†	1,598,923	790,400
Total curr. assets	1,895,253	1,530,372
Prepaid exp. & def. chg.	14,885	18,288
Funds in escrow	100,000	100,000
Fixed assets	9,957,455	9,953,986
Total assets	11,967,593	11,604,646
Total curr. liabs.	235,143	252,869
Deprec. res.	3,712,723	3,531,718
Funded debt	6,495,000	6,495,000
Capital stock	250,000	250,000
Prem. on bonds	244,559	244,559
Surplus	1,040,168	830,500
†Mkt. value	1,671,526	806,800
Working capital	1,670,110	1,277,503

Confectioners

MOIRS LTD., Halifax, consolidated net profit for 1955 dropped 55.7% below 1954 ($57,344 against $129,358).

Central Canada and the Prairies had one of the hottest summers on record which caused a serious drop in sales throughout candy industry. Volume improved in Fall but was not enough to offset earlier losses, reports President J. C. MacKeen.

Company says administration of sales and excise tax continues to discriminate in favor of importers, leaving domestic manufacturers to work at a distinct disadvantage.

CONS. INCOME ACCOUNT

Years Ended Dec. 31:	1955	1954
Net earnings	$253,783	$415,767
Less: Bond int.	6,750	9,450
Depreciation	152,980	170,959
Income tax	36,709	106,000
Net profit	57,344	129,358
Less: Pref. divds.	87,750	87,750
Surplus for year	‡30,406	41,608
‡Loss or deficit.		
Times Interest Earned:		
Before deprec.	37.60	44.00
After deprec.	14.93	23.91
Earnings per Share and Dividend Record:		
Preferred	$6.88	$13.27
Paid	9.00	9.00
Common	d1.96	2.68
Paid	nil	nil

CONDENSED CONS. BALANCE SHEET

As at Dec. 31:	1955	1954
Cash	$96,049	$102,333
Accts., etc., rec.*	1,016,583	901,245
Tax refund, est.		13,863
Inventories	1,170,602	1,318,234
Total curr. assets	2,285,234	2,336,177
Def. chgs.‡	10,130	30,114
Misc. assets	290	290
Fixed assets after depr.	1,212,965	1,307,321
Total assets	3,508,319	3,673,902
Due bank	803,925	656,846
Accts., tax., etc., pay.	290,485	484,487
Divd. pay.	54,201	54,201
Ser. bonds due	86,692	80,680
Total curr. liab.	1,235,303	1,276,214
Invent. res.	†	400,000
Funded debt	90,000	180,000
Capital stock	990,500	990,500
Surplus	1,192,516	827,188
‡Incl. in curr. assets in co's report. †Transferred to earned surplus. *After unstated reserve.		
Working capital	1,049,931	1,059,963

Short Position Falls on TSE

Semi-monthly report of positions on the Toronto Stock Exchange at May 15, eliminating odd lots on members' books, aggregated 793,085 shares of 191 issues, compares with 978,135 shares of 195 issues on April 30.

Among the changes were:

Stock	Shares	Stock	Shares
Bailey-Sel.	—3,100	Duvan	—63,700
Beattie-D.	—30,900	Gt. Swt. Gr.	+2,200
Bell	+1,150	J. Inglis	+300
Bidcop	+11,500	Kroy Oils	—24,700
Bordulac	—33,800	Nat. Stl. Car	+200
Distillers C-S	+300	Rare Earth	+11,700

Here are the changes in detail:

Stock	Shares	Stock	Shares
Algom	2,800	Jaye Expl.	13,100
Am. Leduc	5,300	Joliet	500
Anacon	300	Kerr-Add.	700
Apex	1,000	Kirk. Hud.	4,000
Arjon	1,500	Kroy	14,500
Asbestos	200	Labrador	100
Ascot	600	Lake Cinch	1,800
Atlas Stl.	100	Lk. Dufault	17,900
Aubelle	1,000	Lk. Nordic	3,000
Aumacho	2,000	Leitch	500
Aumaque	2,500	Lencourt	7,000
Bailey-Sel	900	Liberal Pete.	1,400
Banff	900	L.L. Lac	1,100
Barvue	1,700	Loblaw pr.	25
Do. wts.	10,100	Lorado	4,300
Base Metals	7,500	Lomega	23,000
Baska	500	Lyndhurst	4,800
Beattie-Duq.	69,100	Mackeno	500
Belcher	4,800	Maritimes	200
Bell Phone	1,450	Martin McN.	2,000
Bidcop	11,800	Massey-H-F	2,600
Bordulac	60,500	Maybrun	18,300
Bouzan	6,100	Merrill Is.	500
Brilund	2,800	Midrim	1,300
Broulan	100	Mill City	500
Brunhurst	15,500	Milliken	1,800
Brunsman	500	Mng. Endeav.	1,000
Brunston	1,000	Mogul	200
Burchell	500	Nat. Expl.	600
Camp. Chib.	800	Nat. Pete.	500
Calnorth	1,500	Nat. Stl. Car	525
Cdn. Astoria	4,000	Nesbitt	7,100
C. Devonian	3,200	N. Alger	1,000
C.P.R.	100	N. Bidl'que	500
Canadusa	100	N. Bristol	3,000
Can-Erin	2,400	N. Fortune	11,500
Can-Met	300	N. Harricana	500
Cent. Leduc	1,300	N. Highridge	1,500
Centremaque	500	N. Jaculet	11,700
Chem. Res.	7,000	N. Jason	8,000
Coldstream	1,000	Newlund	500
Colomac	500	N. Royran	1,600
Con. Denison	3,100	Nickel Rim	9,100
Do. wts.	3,300	Nipissing	2,000
C. Fenimore	1,900	Nisto	3,000
C. Halliwell	40,700	Noranda	750
Con. Howey	5,800	Normetal	1,000
C. Mic Mac	100	Norpax	4,500
C. Nicholson	1,000	N. Cdn. Oil	800
C. Northland	1,000	Omnitrans	2,000
Con. Paper	50	O. J. Club	1,500
C. Regcourt	500	Opemiska	300
Conwest	600	Pac. East.	1,000
Copper Cliff	2,700	Pardee	100
Coppercorp	4,200	Pathfinder	700
Corby vot.	300	Paymaster	500
Coulee	5,400	Peruvian	200
Cusco	9,500	Petrol	500
D'Aragon	8,500	Powell River	50
Del Rio	100	Provo	900
Diadem	1,000	Que. Chib.	24,000
Dist.-Seag.	300	Que. Copper	2,000
Dom. Stores	50	Quemont	1,000
Duvan	19,200	Radiore	400
Dyno	300	Rare Earth	25,100
Eastern Met.	500	Rayrock	1,900
Eastern Min.	300	Rio Rupununi	800
El Pen-Rey	5,000	Sapphire	1,100
Eureka	2,100	Scurry	300
Faraday	200	Shawkey	2,500
Frobisher	500	Sherritt	5,500
Do. wts.	4,100	Silanco	1,000
Geco	100	Silver-Mill.	14,700
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Goldale	500	Stadacona	500
Golden Man.	1,000	Starratt	1,000
Goldfields Ur.	500	Steep Rock	4,800
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Gulch	300	Trans Empire	300
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Head of Lks.	1,000	ViolaMac	3,300
Headway	3,000	W. Decalta	500
Heath	11,500	Walker G&W	300
Highwood	500	Weston A	40
Hudson Bay	380	Do. B	40
Imperial Oil	2,400	Winchester	500
Indian Lake	7,000	Yellorex	1,000
Inglis, John	200	Zenmac	9,000
Irish Copper	900		
Iron Bay	100	Total	793,085

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Montreal Bid For Int'l Power Shares

MONTREAL (Staff)—An offer to purchase common shares of International Power Co. at $240 per share, Canadian funds, is being made for a group of investors by the Montreal Trust Co.

The offer follows on the heels of an announcement that a number of institutional and other investors in Canada and the United States recently purchased 51% of common shares of International Power at $240 (U.S. funds) per share from the estate of I. W. Killam.

Under the current offer, purchasers' are obligated to take up only 20,000 common shares and if more are deposited they will take up the first 20,000 shares so deposited, but will have the right to take up any and all further shares deposited.

In addition to the $240 per share, the purchasers will pay the seller's stock transfer taxes amounting to 13c per share.

QUINTE MILK PRODUCTS LTD. Class A and common shareholders of record May 31 have right to purchase one additional A share at $8 each for five A or common shares held. Class A and common shares sold ex-rights on May 29 and offer expires June 29.

Governor-General Gets Arctic Film

Governor-General Vincent Massey has been presented with a 30-minute film of his recent Arctic tour by Associated Screen News.

The film of the first vice-regal trip to the North Pole was a gift of Associated's president, Maxwell Cummings. A newsreel cameraman accompanied the Governor-General throughout the tour.

HOLT, RENFREW & CO. has redeemed a further $29 first preferred shares, leaving 8,157 shares outstanding.

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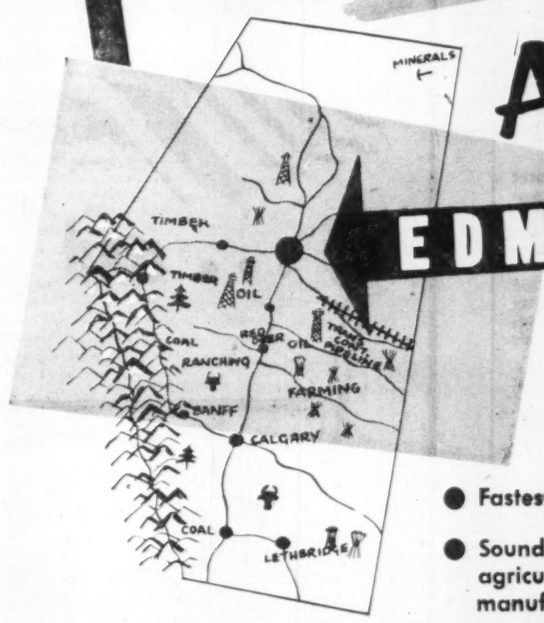

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What's Ahead For The Brewing Industry

Canadian Breweries Head Sees Growth Concentrated in U.S.

By E. P. TAYLOR

Canadian Breweries Ltd., is concentrating its growth plans on U. S. operations through its subsidiary — Carling Brewing Co.

E. P. Taylor, chairman of the Board of Canadian Breweries, told U. S. National Society of Security Analysts that:

- **In Canada, the company has achieved a leading and mature position and will now grow as Canada grows.**
- **In the U. S., the increase in birth rate which started in 1940 will hit the brewing industry by 1960, resulting in an increase in per capita consumption of beer.**
- **Decentralization, key to success in Canada, is being applied forcefully in the U. S. through construction of new breweries.**

Here is a digest of Mr. Taylor's talk given at the opening of the new Carling brewery in Natick, Mass.

"In 1930, the year that Canadian Breweries Ltd. was founded, the brewing industry in Canada was disorganized and was for the most part unprofitable and wasteful.

This was particularly true in Ontario where in the early days the activities of Canadian Breweries were concentrated. Due to very restrictive laws which prevailed, volume of business was only a small fraction of what it is today. This small business was being shared in Ontario alone by some 40 companies, most of which were operating at a loss. The population of Ontario was at that time about 3 million. So that 40 breweries supplied a population approximately equal to that of Greater Boston, in depression years and following 16 years of prohibition.

From the outset we embarked on a program of plant improvements and expansions, mergers, reduction of our brands, and the concentration of our production in our more efficient plants. We have invested in Canada approximately $48 million and in the United States approximately $30 million since the end of World War II.

Since incorporation, the company has acquired 100% ownership of more than 23 brewing concerns in Canada. Production has been consolidated in 11 well-equipped and strategically located plants operated by three wholly owned subsidiaries. Combined brewing capacity, including expansion currently under way, is approximately 3,000,000 bbl. per year. Also, the company exercises control and has now consolidated the operations of the Dow Brewery, which owns three breweries with a combined annual capacity of 1,500,000 bbl., making a total Canadian capacity of 4,500,000 bbl. or over 40% of the Canadian industry. In addition, the company like several of the large U. S. brewing companies owns and operates two malting plants having a combined annual capacity of approximately 4,750,000 bu.

In the United States, the company owns in excess of 99% of the capital stock of the Carling Brewing Co., which will soon have a capacity of approximately 4,000,000 bbl. Combining U. S. and Canadian figures, the grand total is therefore 8,500,000 bbl. Total consumption of malt beverages in the United States last year was about 85 million bbl. and close to 9 million bbl. in Canada.

Sales have enjoyed extremely steady and healthy growth. In 1945, the $50-million mark was passed and by 1950, $100 million. These are gross figures including the excessively heavy burden of excise taxes which the industry continues to bear. Last year, sales were $224,000,000 or again more than double sales in five years, and this year volume should be more than $250 million.

During the last six years earnings per share have varied between a low of $2.25 to a high of $3.51 in 1955. Price of Canadian breweries stock in this period has ranged between about 15 and 32 with a current price/earnings ratio of about 8 or 9 to 1. Annual dividends have been from $1.25 to $2 per share. At the present time, we are confident that we will not only maintain the current ratio of $1.50 representing a yield of around 5%, but that the next few years will see a progressive increase in the rate of dividend paid.

Mature in Canada

In Canada the company has reached maturity, and its growth from now on should be in proportion to the rate of development of Canada itself.

Carling Brewing in the U. S. is a very vigorous young tail wagging on a more mature dog. It has well-founded expectations that the day is not too far off when this situation will be reversed.

Since 1949, Carling's has experienced a healthy growth. In sales volume it has risen from 64th place in the U. S. industry to a point where it now ranks among the first ten, with national distribution supported by national advertising. In each successive year since 1949 combined sales of Red Cap Ale and Black Label Beer have increased an average of 32%. In the same period, the American brewing industry has increased sales but 2%. In 1949, we did about three tenths of one per cent of the volume of the industry and we now do about 3½%.

In any appraisal of the present problems and future potential of the brewing industry, particularly in the United States, it must always be remembered that the industry is really only 23 years old. It is equally important to bear in mind that these have been 23 extraordinary years, consisting of three periods — the period from 1933 to 1938 when the country was laboriously recovering from a disastrous depression; from 1939 to 1945 when World War II necessitated a tremendous expansion of U. S. industry producing full employment at ever-increasing wages. This created a steady increase in the per capita consumption of beer until the industry, limited by restrictions and shortages, could no longer meet the demand. This condition of short supply extended for about two years into the third period, from 1946 to 1956, when the general economy of the country expanded to unprecedented heights.

Soon after brewing was legislated into rebirth in 1933, 750 U. S. breweries hurried into production, contending for a market which, while increased populationwise since the enactment of prohibition in 1919, was consuming only 7.9 gallons per capita as compared to a preprohibition consumption of 20 gallons per capita.

Depression Hurts

With the U. S. consumer beginning to be more selective in his taste following the "novelty" boom of the immediate post-prohibition years, by rejecting the poorer products — compounded also by the depressed state of the national economy — there were heavy casualties among the many companies which had rushed into the new industry. By the end of this period, in 1939, there were only some 600 brewing companies in operation.

War in 1939 marked the beginning of the second period, completely changed the outlook for the 600 survivors. Per capita consumption increased rapidly, and soon practically all companies were making profits. With net earnings limited by soaring corporation and excess profits tax rates, most breweries maintained substantial advertising and selling efforts. But so acute did the shortage become — and so eager the promises of wholesalers and retailers of tremendous post-war sales in exchange for small additional allotments — that almost every brewer was persuaded that he must provide himself with increased productive capacity at the earliest opportunity.

Much expansion took place during continued grain control after the war was over and before the end of the beer shortage, so that brewers who were expanding had really no opportunity to evaluate the demand for their brands under more normal circumstances. Many brewers seriously depleted their working capital at this time. Carling's among them, with hurried expansion programs.

Thus was the stage set for the third period, the closest to normality, the period of vigorous competition in which the industry now finds itself. Closest to normality, but by no means normal —for despite a rapidly expanding national economy the total consumption of beer has remained practically static.

The main reason for this condition is revealed by age-groupings of population. For almost two years, during the depressed '30's the birth rate was alarmingly low. From 1939 on, the birth rate climbed steadily to an abnormally high figure. As a result of this increase in birth rate, and a decline in the death rate, total population has increased steadily. But because of the low birth rate in the 1930s, the casualties during the war, and the fact that many young men are still overseas in service, the age group from 21 to 35—which all surveys show is the best beer-consuming age group—represents a much smaller percentage of the population than under normal conditions. This picture will change materially in the next few years, and the 1960s will see a restored balance.

Consumer Cost Up

That is one reason for the apparently low per capita consumption of beer. The other is the greatly increased cost to the consumer of beer.

When the per capita consumption of beer was at its highest the basic unit was what used to be described as "The biggest nickel glass of beer in town." When the post repeal per capita consumption of beer reached its highest point in 1947, draught beer still amounted to 32% of the total volume, compared to the present level of 23%, and practically all packaged beer was sold in deposit bottles, the cheapest form of package for the consumer and the most profitable form of package for the brewer.

Since then, 30% of the consumers have been persuaded, or have persuaded themselves, that the convenience of the one-way package—bottle or can—is worth the difference in price and so we find that this 30% of the consumers has raised the price of beer on themselves over and above the increases which rising costs had forced upon the brewers, which had been passed on to the consumers.

Not only has the consumer been traded up packagewise, but the percentage of industry sales made at premium prices, until just recently was growing steadily year after year, so that in this way too the average unit cost to the consumer was increased.

This trading up has built into industry sales a sort of resiliency which did not exist before. If the purse strings get tighter, the consumer may stop buying luxury-packaged foods and forego their convenience in the interests of economy. This would be a very serious matter for the manufacturers of such foods but in the brewing industry the consumer can practice economy by switching from expensive packages to less expensive packages, or perhaps even from expensive brands to less expensive brands, without reducing consumption and without reducing the brewers' earnings.

Largely due to the fact that the anticipated increase in total consumption has not materialized in this third period, there has been heavy attrition among the brewers who were least equipped to preserve their business in free competition, so that there are now less than 250 brewing companies in the U. S. In 1948 Carling narrowly escaped being numbered among the casualties.

The industry is now one of the most competitive in the country and, as a result, because brewers are to the best of their ability absorbing cost increases and spending unprecedented amounts on advertising and selling, industry earnings are at a low level.

What about the future of the brewing industry in the United States and Canada, and particularly, what about Canadian Breweries and the Carling Brewing Co. What kind of an outfit is this—what kind of speculation, what kind of risk is it when a company is making multi-million dollar capital outlays to expand its plant and production facilities in a confused, highly competitive industry that hasn't shown any growth for nine years and has excessive production capacity.

In Canada, we have attained a leading and a mature position. With the experienced, aggressive, and alert and able management of our Canadian companies. We will go forward in step with the expanding economy and population of Canada itself.

One of the leading reasons for our optimism about the bright future of Carlings, is the effect of the amazing increase in the birth rate which started in 1940. Nearly every industry is looking forward to the coming of age of these so-called "war babies" which will expand the entire consumer goods market, including the malt beverage market. By 1960, we should see a very considerable increase in the per capita consumption of malt beverages as these "war babies" reach 20 years of age.

Another very important reason for confidence is a policy of decentralization. This has proved most successful in Canada, and for the same reasons that it has been effective there I believe it will be successful and profitable as we grow in the U. S. market.

Carling's plan for growth emphasizes decentralization, providing for a number of regional plants located to best advantage for production and distribution from each plant to a limited number of states with a product priced to meet the competition of regional and local shippers in the area. This plan is under way with our regional plants in Cleveland, St. Louis, Belleville, this new brewery here in Natick, and the one under construction in Atlanta.

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ANNOUNCEMENT

CANADA DRY ELECTS

ROY W. MOORE JR.

At a meeting of the Board of Directors Tuesday, May 22, Roy W. Moore, Jr., was elected executive vice-president and general manager of Canada Dry Ginger Ale Incorporated. He was also elected to the Board's Executive Committee.

Mr. Moore served as vice-president in charge of manufacturing at Canada Dry from 1949 until 1954, when he was named assistant general manager and was elected to the Board. He is also a member of the advisory board of the 100 Park Avenue branch of the Chemical Corn Exchange Bank.

Mr. Moore joined Canada Dry in 1940 after graduating from Harvard College the same year. He began with the company as a clerk in the purchasing department and advanced through the sales and production departments to become manager of the production department in 1946.

Mr. Moore is married, has two children, and lives in Fairfield, Conn. He is a member of the Harvard and Uptown Clubs in New York, the Country Club of Fairfield, Conn., and the Pequot Yacht Club, Southport, Conn.

Here's Half-Century View Of Life Insurance Growth

The savings element in life insurance is not valued by the public as highly as it should be, H. R. Stephenson, president of Crown Life told insurance men at the Canadian Life Insurance Officers Association recent annual meeting. In a panoramic view of insurance development, he looks at the industry's over-all growth and comments on some of today's special problems including variable annuities and competition for group pensions. Here is a digest:

By H. R. STEPHENSON

If we compare the life insurance business in Canada today with what it was 50 years ago, we are at once overwhelmed by the contrast in size. It has grown prodigiously, although the rate of growth has not been uniform over the years but has varied within the limits of five more or less distinct periods.

The first period was one of persistent growth which extended to the end of First World War. Life companies met their obligations promptly, including war claims and the still heavier claims of the influenza epidemic, without impairment of solvency.

Period two, which lasted until the onset of the depression, witnessed an unprecedented expansion of the life insurance industry, which raised it to the important place in the national economy that it has since occupied.

By 1931, life insurance in force in Canada had risen to a peak of $6.6 billion, after which it slipped back to slightly lower figures during the worst years of the depression.

On looking back at 1931 it is interesting to note two addresses on social insurance made to the CLIOA, also the appointment of a consulting actuary, Mr. H. H. Wolfenden, to keep in touch with developments in that field.

Since then, the Federal Government has enacted legislation dealing with unemployment insurance, family allowances and old age pensions. The subject of hospital insurance and of health insurance generally has recently had much publicity following the offer of financial assistance to the provinces by the Federal Government, with no satisfactory solution as yet in sight.

The Government Annuities Act was amended in 1931 to reduce the maximum amount of annuity to $1,200 per year in place of the original $5,000.

Important decisions by the Privy Council relating to the jurisdiction of the Federal Government foreshadowed the complete rewriting of the federal insurance legislation in 1932, whereby the regulation of insurance contracts and of insurance agents was relinquished to the provinces.

The division of authority between the Federal and Provincial Governments resulting from this revision has since been observed without serious challenge by any of the parties concerned, and with a very welcome absence of the uncertainties which had disturbed the business for so long before.

The outbreak of war in 1939 marked the end of period three, the period of the depression, during which our business, like most others, endured trials and tribulations greater than it had ever before experienced.

By virtue of patient nursing of the whole situation by the companies, and co-operation by government authorities, the ultimate losses were kept well within the bounds of tolerance, and the companies emerged in sound financial condition. The volume of business in force has already recovered from its previous dip and now recommenced a vigorous climb, which continued throughout period four, the six years of the Second World War.

Following the ending of the war, the rate of growth seemed to shift almost automatically into a still steeper climb, which is still going strong. In the ten years of this period five, business in force had risen from $10 billion to over $26 billion, in addition to important gains in group annuities and health insurance, putting Canada next to the U.S. as the second largest life insurance country in the world.

The growth of the industry as a whole has been paralleled more or less by that of the individual companies. Anyone who has been a company officer for long must be impressed by the changes that have occurred. Of course, in the case of companies which were already sizeable at the outset, their growth, while much greater in absolute amount, is less percentagewise.

If you are with a small company, you can usually console yourself by observing, in any twelve - month period, that although the Metropolitan may have increased their lead on you by a few extra billions, yet if your percentage increase continues as is for another "x" years, you are bound to pass them.

Insurance Outlook

What is the outlook for future growth? Many keen analysts of our business have done a bit of gazing into a crystal ball. Most of them have come up with optimistic forecasts. Certainly there seems little indication within the business itself of any tendency to slow down now or in the near future.

We must keep in mind, however, that our progress is the product of two factors:

(1) The condition of the general economy;

(2) The effectiveness of our efforts to do our full duty as a part of the economy.

The first of these two factors is too deeply involved with national and international politics and economics for close examination here. There are overriding objectives which surely are never far removed from our thoughts and aspirations:

—Maintenance of world peace linked with improvement of conditions in distressed countries and gradual diversion to constructive use of much of the revenues now directed to military preparation;

—Preservation of our free enterprise system without threat of expropriation or encroachment by government; a practical plan whereby the standard of living of the whole population can be advanced in step with the ability of the economy to support it, by a leveling out of booms and depressions;

—And the maintenance of an approximately constant value of the dollar;

Such objectives rank among the highest functions of government and of those charged by government with direction of national credit and monetary policy. Never before in history has there been a better opportunity for improvement of world conditions. Nor has any country in the world a better opportunity than Canada to maintain a state of prosperity within its borders.

Several Ratios

Within the Canadian life insurance industry itself, there are several developments to which I shall briefly refer. The ratio of total insurance in force to the total of wages and salaries is about two to one, the same as in 1926, 1946 and 1954.

Betweentimes, this ratio has moved up and down, chiefly due to the irregular course of the wage and salary total. This latter has been rising rapidly since 1946 and the fact that the insurance total is now tending to exceed the two to one ratio indicates that good progress is being made and there is every reason to expect increases in this ratio as time goes on.

There is no doubt that the Canadian public generally is deeply conscious of the value of life insurance and of the ability of the companies to fulfil their contracts even under most adverse conditions.

Considerable publicity has been given to the fact that no policyholder in a Canadian legal reserve life insurance company has ever lost a dollar under his policy at death or on maturity since the first Canadian company was established more than 100 years ago; and that Canadian policyholders in licensed British and U.S. companies insured since 1878 have been equally well served.

Saving Through Insurance

It is not so clear, however, that the public values as highly as it should the savings element contained in most life insurance policies. Ever since the early days of the business, when the inadequacies of the yearly renewable term plan were revealed by bitter experience, most policies have been issued on level - premium plans, which means that the companies are both insurance carriers and at the same time depositories of savings.

If we look at the statistics of Canadians' life insurance saving in relation to their total personal saving over the past thirty years, we find the record distorted during the depression, by the near-disappearance of personal saving apart from life insurance; during the war, by the very heavy purchasing of government bonds; and in the years immediately following the war, by the heavy purchasing of goods not obtainable during the war.

In the only two roughly comparable periods, we see that in 1951-55 about 18% of total personal saving was made through life insurance, compared with 27% in 1926-29.

I think the members of this association would regret to see the savings function of the companies greatly reduced, and particularly so if this resulted from misunderstanding on the part of the public, which unfortunately does seem to be somewhat the case.

The vast majority of people in all income brackets who rely chiefly on their own earnings, not only for current needs but also to make future provision for dependents and for their own retirement, can only succeed by adopting a long-term program which includes both protection and saving. Life insurance is essentially a part of every such program.

Equity Investment

Now it seems to me that if anyone decides that he should invest part of his savings in equities, that is something he must do apart from his life insurance premiums, of which only a small percentage is invested in equities by the company.

But almost everybody agrees that a substantial part of every

(Continued on page 35)

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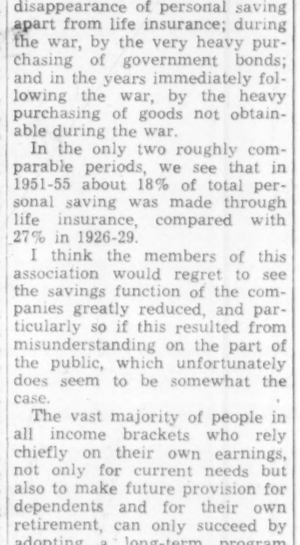

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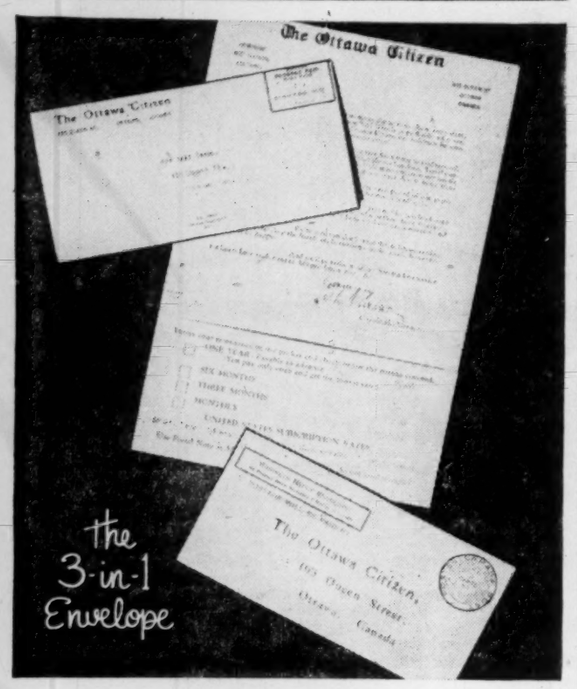

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How Life Insurance Grows

(Continued from page 34)

savings plan should be based on well-secured fixed income and capital return securities, such as bonds, debentures and mortgages; and there is no kind of institution that has had a longer, broader or more successful experience in this field of investment than the life companies.

Our investment people are not just passive dispensers of riskless loans. Neither are they afflicted with ingrained prejudice against recommendations by members of the field force.

On the contrary, they carefully and conscientiously weigh every factor. They are highly skilled specialists in their field. I am convinced that this fact is not sufficiently realized even by the companies' own personnel and still less by the general public.

I am further convinced that if the owner of a level-premium policy would think of it as a combination of savings fund and reducing term insurance, he would realize that the savings portion is a security in the class of a government savings bond except that it will give him a higher tax-free yield and certainly a much more attractive yield than a bank deposit.

Commencing in 1930 and continuing for eighteen years thereafter, there was a continuous decline in rates of interest obtainable on investments in Canada, which exerted an upward pressure on premium rates and a downward pressure on policyholders' dividend rates. The decline had reached a point which was becoming serious when the upturn came about seven years ago. Whenever interest rates run to the extremes of being either very high or very low, an undesirable situation is created.

Rates that are adequate but not excessive should be the constant aim of those charged with the direction of monetary policy, subject, of course, to variations within reasonable limits according to changing current conditions.

In illustration of the importance of a reasonably adequate interest rate, remember that an increase of ½% in the rate of interest has more effect on the whole-life premium at age 20 than would a complete wiping out of all mortality up to age 40. The same for other standard plans, only more so.

It is to improvement during middle age and later that we must look for most of our further mortality gains. Control of premature circulatory disease and of cancer are still the big unsolved problems in this area, concerning which there is good prospect of progress in the future.

Meanwhile, it is important to make sure that our annuity rates and settlement options include protection against prospective increase of longevity at the higher ages.

Consequent upon the reduction of mortality, the percentage of new life insurance applications which are declined or rated substandard or charged occupational extras has appreciably lessened. An ever-increasing proportion of the new applications can now be underwritten entirely by lay underwriters. Enlargement of nonmedical limits is also under way.

Company Expense Control

Expense control has always been one of the most important problems of our business and it continues to be as difficult as ever. During the postwar years, although the volume of business has been rapidly expanding and some lowering of expense ratios would normally have been expected, this does not seem to have been generally achieved.

The chief prerequisite for expense control is strength of mind to reject opportunities, so often presented, to get business without due regard for cost or other important considerations. The primary purpose of a life insurance company is to provide the best insurance value and service to its policyholders. Not only just now but also in the future.

The principle of equal treatment, both of policyholders and of all members of the field force, should be carefully guarded. We should not be unduly influenced by the action, or alleged action, of other companies. Competition is, without doubt, an essential and most salutary part of our private enterprise system, but the competitive spirit should not be permitted to override our better judgment.

Greater use of machines for automatic accounting will reduce the rate of increase of our staffs and eventually result in lowered administrative costs. However, during the long period of transition from the old system to the new, when all records have to be rebuilt, the administrative costs are temporarily increased.

Grading Premium Rates

Mention of nondiscrimination among policyholders brings to mind current discussions regarding the grading of premium rates according to size of policy. The old rule that the rate of premium and dividends should be uniform per $1,000 of insurance or multiples thereof for all policies of the same plan and age has become obsolete.

Even if we wish to preserve the concept of uniform rate per unit amount, the drastic change in the value of the dollar would require a larger unit than $1,000 today, assuming that $1,000 was appropriate many years ago. One objection to the uniform rate per uniform amount system is that it fails to encourage the buying of larger policies.

It has often been suggested that it would be more equitable to make some grading in the rate of premium according to size of policy extending over a reasonable range in recognition of the lower rate of expense entailed in handling larger policies, a practice which is common to many lines of business. There is no legal bar to this so-called stratification of rates in Canada such as now exists in many states of the U. S. Several companies are experimenting with it and the practice seems likely to spread.

Variable Annuities

One of the liveliest discussions in our business today is in regard to variable annuities. The pros and cons of the argument have been put forward with great skill and in great detail by many different writers and speakers. It is somewhat reminiscent of the argument in the late 1920s as to whether life companies should or should not invest heavily in common stocks. That argument died a natural death in the 1930s.

However, most people today discount the possibility of a repetition of anything like the conditions of the 1930s; and the proponents of variable annuities based on a segregated fund of equity stocks do not necessarily advocate any drastic change in the composition of the company's portfolio, apart from the segregated fund.

Fear of inflation is the main cause of the attraction of variable annuities. When people plan their old-age security, what they want is security of purchasing power, enough to ensure a certain standard of living for life after they retire.

If they could trust the purchasing power of the dollar to remain constant, they would want the certainty of fixed dollar annuities. Right now, following many years of a rising stock market and the greatest devaluation of the dollar in history, people are very common-stock-minded. But in the absence of inflation, the lure of the stock market would diminish, and still more, the lure of the variable annuity.

In Canada today, institutional buying is strongly attracted to good-grade bonds which are obtained at yields definitely higher than are obtainable on good-grade common stocks. The aggregate supply of these latter is relatively small. What will happen to their prices if the life companies start buying them in volume?

Inflation distorts every contract expressed in money. It is the deadly enemy of every kind of saving expressed in money, including saving by life insurance. Has the time yet arrived when we must accept it as inevitable and adapt ourselves to it on whatever terms we can?

Group insurance occupies an increasingly important place in Canadian life insurance. The first group life policy in this country was issued in 1919. By the end of 1945, over $1 billion was in force, and ten years later, at the end of 1955, over $6 billion was in force. The volume of group annuities in force with the companies has likewise multiplied about six times in the last ten years. In addition, the amount of group accident and sickness in force with the companies has shown a similarly rapid expansion.

Group life insurance was originally conceived as a rather modest fringe benefit for employees. Of late years, the individual amounts of insurance provided, particularly for the higher-paid employees, have shown a strong tendency to rise. Many companies have set top limits of $20,000 to $40,000 by adopting the so-called "20-40 rule" which is incorporated in the laws of many of the American states.

However, two of the most important states have no such law and, quite recently, at least one large group has been written with top individual coverage of $100,000 or more.

ANNOUNCEMENT

CANADIAN DURABLA LTD. APPOINTS NEW PRESIDENT

M. S. MOSER

At a recent meeting, the Board of Directors of Canadian Durabla Ltd. elected Mr. M. S. Moser President of the Canadian Company.
Mr. Moser has been associated with Canadian Durabla Ltd. since 1928. He was appointed Vice-President in 1946 and Executive Vice-President in 1953. Over the years he has contributed considerably to the growth and expansion of the company.

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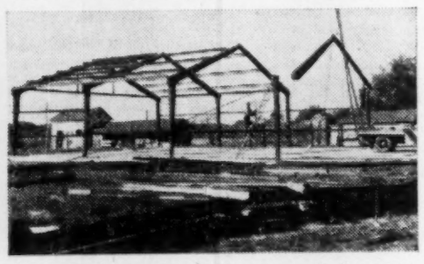

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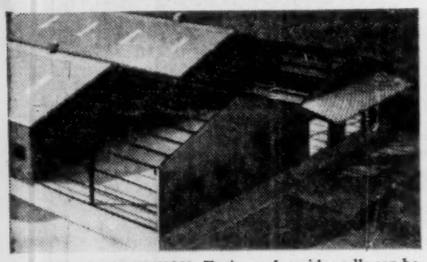

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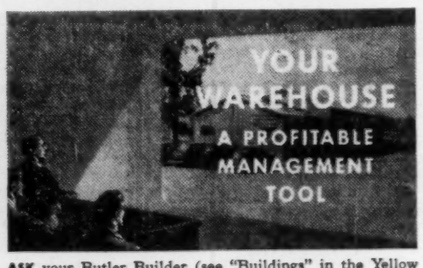

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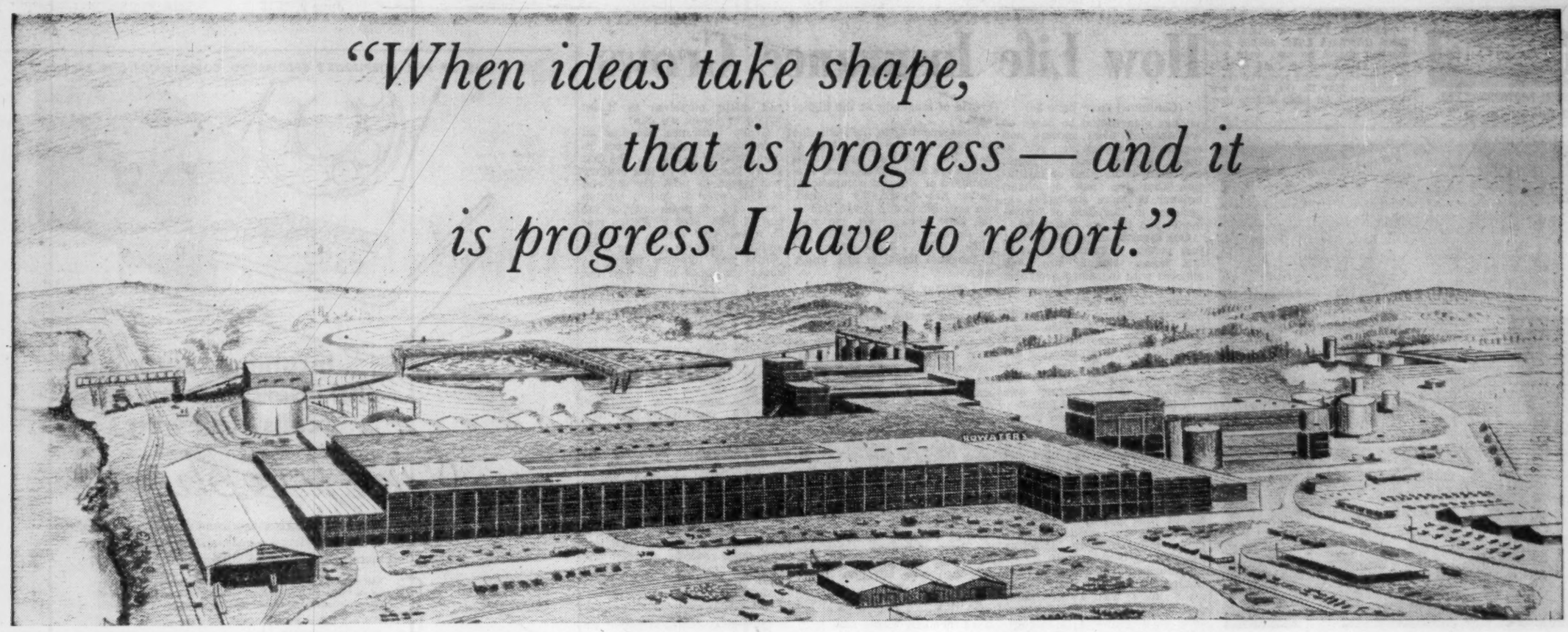
"When ideas take shape, that is progress — and it is progress I have to report."



WELCOMING some 1,700 shareholders (including, for the first time, shareholders from North America) to the Annual General Meeting of the Bowater Paper Corporation Limited at Croydon on May 29th, Sir Eric Vansittart Bowater, Chairman of the Corporation, said:—

"When ideas take shape, that is progress —and it is progress I have to report. The measure of that progress is found in the fact that in the twelve months to which the Accounts related our earnings exceeded those for the previous fifteen months, which in themselves had constituted a record. We are proud of this achievement. We do not for one moment subscribe to the view apparently held in some quarters that making profits is a crime. As a matter of prudence by far the larger part of our net profits are being retained and ploughed back into the business as has been our custom in the past. Had this not been our policy, we could not—over the relatively short period of thirty years—have built up Bowaters into the great international organisation it now is. Nor, moreover, do I think that, in the absence of those accumulated retained profits, would the investing public have been willing to venture the large sums of capital representing their savings, which, too, have so greatly helped us towards achieving our present pre-eminent position in the paper industry."

The Chairman recalled that, at the meeting held in the Stoll Theatre in London last November, he had ventured his private opinion that the final dividend on the Ordinary or Common share capital, as then increased to 19,200,000 shares of £1 ($2.80) each, would be not less than 6 per cent.

"In the event, our earnings have, in our opinion, justified a higher rate than that, and the rate of final dividend we have recommended is 7½ per cent. In arriving at this recommendation, we had proper regard for the financial position of the Organisation, its future capital commitments and, particularly, the fact that the satisfactory earnings achieved were derived to so substantial an extent from our overseas interests. I say this in the light of the Chancellor of the Exchequer's—I am sure very proper—exhortation that, in our country's present economic state, restraint should be exercised in the payment of dividends as in other matters. We do not feel that the same measure of restraint applies anyway to that proportion of our earnings derived from overseas, where the tendency to inflation is much less marked than in the United Kingdom. More than 50 per cent of our assets are now located in North America and those assets continue to increase year by year. It is, therefore, not unnatural that so large a part of our earnings should be derived from that source, and, in addition to our interests in North America, we have also important interests in Australia, Sweden and Norway, all of which make a valuable contribution to our consolidated revenues."

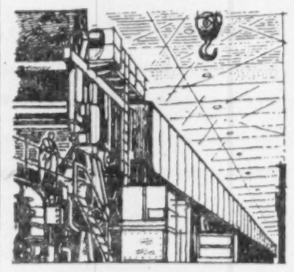
These higher earnings—amounting to more than £13,200,000 ($36,960,000)—reflected the full operation and greater production of the Organisation's plants throughout the world, as well as the vast capital sums spent since the war on the further development of existing properties and the construction of new plants and facilities.

The higher manufacturing costs incurred, particularly in the United Kingdom, during the second half of 1955 as a result of increased costs for raw materials, fuel and wages, were not passed on to customers but were absorbed by the Organisation; these amounted to more than a million pounds. Indeed, it was not until the 1st January this year that any part of these increased costs was passed on to customers, particularly in the United Kingdom when, in common with some other manufacturers, the Organisation agreed to hold firm the increased prices for a period of six months for some products. Unhappily, costs of manufacture have continued to rise and it must be anticipated that these increased costs will eventually be reflected in product prices.

"We have studied the interests of our North American shareholders by the opening last year of a Dominion Register in Montreal for the benefit and convenience of those of them who reside in Canada. The establishment of a similar Register in the United States is not possible and—as the variations between American and British practices and procedures in share dealing and registration matters have sometimes resulted in misunderstanding and delays so far as United States nationals are concerned and with a view to overcoming these difficulties—our legal and financial advisers in that country are now in touch with the appropriate authorities there with the object of instituting a system of depositary receipts designed to simplify the transfer of stock in that country."

As a result of the recent capital reorganisation, there are now only two classes of publicly held shares of the United Kingdom companies of the Organisation. They are the £7,245,000 ($20,286,000) 5½ per cent Preference Stock and the £19,200,000 ($53,760,000) Ordinary or Common Stock of the Corporation, to which level it was increased by the funding issue on a one-for-one basis made in November last. Reserves and undistributed profits now amount to nearly £33,000,000 ($92,400,000) and current assets exceed current liabilities by more than £25,000,000 ($70,000,000).

At the date of the accounts, forward capital commitments stood at approximately £20,000,000 ($56,000,000). These commitments relate in part to developments outlined at the previous Annual General Meeting in the Master Plan for the United Kingdom, but they also include our capital commitments in the United States, Canada



The International Bowater expansion programme includes the installation of six massive newsprint machines. One to be brought into operation this year in the Tennessee Mills, will be 23 feet in width and will produce newsprint at the rate of 2,200 to 2,500 feet per minute. This is even faster than the two existing Tennessee machines—which have themselves run at the fastest sustained speeds yet attained by a newsprint machine. The installation here of a fourth machine is now under active consideration.

and Scandinavia. There are no material changes in the plans for development in the United Kingdom, but the intention is to bring them to fulfilment as fast as possible, for the demand for their products is more than present capacity can wholly satisfy.

The businesses formerly carried on by Bowater's Lloyd Pulp and Paper Mills Limited, Bowater's Mersey Paper Mills Limited and Bowater's Thames Paper Mills Limited have been rolled up into one operating company, known as Bowaters United Kingdom Pulp and Paper Mills Limited. Its profits for a full year's operation were proportionately lower than for the previous accounting period, mainly owing to the heavy increases in manufacturing costs incurred during the second half of 1955.

Associated Bowater Industries Limited, the company through which the Organisation's packaging activities are conducted, is to expand and develop these activities further, and part of the Master Plan for development provides for the construction of a new corrugated case factory in the north of England. This company is also in course of acquiring a large new site at Stevenage in the county of Hertfordshire, where further factories for the production of corrugated cases and fibre drums, amongst other things, will eventually be constructed.

Negotiations have now reached an advanced stage for the merging of Bowaters Fibre Containers Limited—at present a subsidiary of Associated Bowater Industries—with Eburite Corrugated Containers Limited. It is anticipated that this merger will be consummated at an early date. The Eburite business is a virile and well-managed concern and has been highly successful over a long period of time. In common with Bowaters Fibre Containers, it has developed rapidly in recent times and the merger of these fibre container businesses is expected to be of real benefit to all concerned.

The Irish Wallboard Co. Limited has made satisfactory progress. Its plant, too, is being further extended and its productive capacity of building or hardboard will shortly be materially increased.

The other companies of the Bowater Organisation in the United Kingdom and overseas have also flourished. In Norway and Sweden the pulp mill companies continued to work to capacity. They, too, are to be enlarged and their productive capacity stepped up to the limits that local conditions will permit.

The Sales companies in the United Kingdom, Australia and South Africa all enjoyed a successful year, as did the Services and Transport company in the United Kingdom. During the year the Australian company acquired the entire share capital of the British-Australian Paper Company, a thriving concern engaged in the conversion in Australia of many classes of paper. The business of this company covers a very wide field and is capable of early and profitable development.

The Bowater Steamship Company Limited, with two ships in commission, a third to be completed in the coming year, and five others to follow thereafter at short intervals, has got away to a good start and is earning satisfactory profits.

In Sir Eric's own words, "ships are vital to Bowaters and never was that more apparent than at the present time. Not only are freight rates at a very high level today, but it is at times difficult to secure the ships which are essential to our very existence. It must never be forgotten that the greater part of the raw materials we use in this country is seaborne, as is a very large part also of our finished products—in the case of our Canadian mills, virtually the whole. Times for construction required by shipbuilders are long, and delays in delivery are all too frequent. It is today almost impossible to obtain a firm quotation for ships at a fixed price, but we have been successful in placing our orders on what I think are the best terms now procurable—terms which provide for a fixed fee representing profit regardless of any actual increased cost of construction that may result from further inflation."

The Chairman then turned to a development of special interest to shareholders: the arrangement entered into with the Scott Paper Company of Chester, Pennsylvania, U.S.A.:

"Under the terms of our partnership with Scotts, for partnership it is, we have set up a new company, which in exchange for shares of that new company, has taken over the whole of our interest in the St. Andrew Mills Limited, a company engaged in the production of household tissues and

One example of the Bowater policy of product diversification is the development of a range of hygienic tissue paper products including Andrex toilet tissue and Handy Andies tissue handkerchiefs. Bowater-Scott Corporation Ltd.—result of a merger between Bowaters and the Scott Paper Company largest U.S. producers of tissues—will operate a new tissue mill, the most modern in the world, at North Fleet, Kent.

acquired by us early last year. Scotts, in turn, have acquired for cash a like number of shares in the new company—known as Bowater-Scott Corporation Limited. This company is erecting at Northfleet in Kent, adjacent to the mills of the Thames Division of Bowaters United Kingdom Pulp and Paper Mills, a new two-machine tissue paper mill, together with all the appropriate conversion facilities for the manufacture of every type of household tissue. The Scott Paper Company is the largest and one of the best known producers of household tissue papers in the world, and the new joint company will enjoy the full benefit not only of its 'know-how' and all that that implies, but also of all its valuable patents. We regard this new venture in partnership with Scotts as one of first-class importance, for it is our belief that the market for this type of paper products in the United Kingdom has hardly yet been touched, whereas in the United States it is already highly developed. We are confident of the future success of this venture, and happy to have in partnership with us a great concern whose name in the United States is a household word. The Bowater-Scott Corporation will, of course, continue fully to operate the St. Andrew Mills, and, indeed, those mills have been further developed during the course of the last

The new corrugated case plant now being built at Ellesmere Port, together with other factories soon to be built will, like the highly successful plant at Croydon, produce containers of every description for the packaging needs of every business.

sixteen months and their production stepped up. I fear, however, that it will be some time before we can begin to satisfy the demand for these products, for the new mill will not come into operation until the early part of next year."

Before leaving the Accounts, the Chairman drew shareholders' attention to the Chancellor of the Exchequer's proposal to increase still further the tax on distributed profits (described by Sir Eric on another occasion as a dividend tax), and the heavy drain this tax exerts on profits which would otherwise be available for dividend, or for the further development of the business:

"On dividends distributed in respect of the last year the 'dividend tax' amounted to practically half a million pounds. Doubtless the Chancellor has to find a large sum of money from somewhere to meet the heavy losses entailed in some of the nationalised industries, and it is to the profits of free enterprise industry that he turns."

It was felt that employees, whose contribution to success is so important, should also enjoy the benefit of prosperous times. Once again, therefore, every member of the Organisation in the United Kingdom (excluding only the Directors of the Corporation) is to receive a bonus equivalent to three weeks' basic wage or salary, payable during the present week.

Of newsprint, in volume by far the largest though, as far as the United Kingdom is concerned, the least profitable of Bowaters products, the Chairman said:—

"The demand for this commodity throughout the western world seems insatiable."

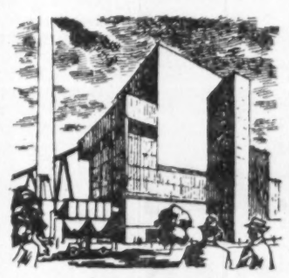
Last year consumption in the United States alone exceeded that for the previous year by no less than 7.7%. This year so far that rate has not only been fully maintained but exceeded. In the United Kingdom, too, despite the persistence of Government control, consumption has continued to grow, mainly as a result of increased paging permitted (under one of the peculiarities of control) according to the price charged for the newspaper.

"It has been intimated," Sir Eric went on, "that Government control over newsprint will be terminated at the end of this year. It is, therefore, essential that between now and that time a proper scheme of voluntary restraint in its use is hammered out between the publishing industry and the domestic mills. It should not, in my opinion, be difficult to work out a plan which will afford full protection to the small newspapers and at the same time assure to the larger users a fair distribution of what is available. For our part, we are exerting every effort to increase availability in this country by our bold plans for development, though the installation of paper machines and the building of new newsprint mills is a lengthy and costly process. One of the reasons for the increased productive capacity we are providing—and in this connection the sixth machine at our Kemsley mills is at long last about to come into production, some 17 months after it was scheduled to start up—is to assure our customers that when control ends we shall be able to fulfil to the letter all our obligations under our long-term contracts with them. This of course we shall do. In short, we have safeguarded their future as well as our own by the decision to provide increased capacity within the United Kingdom.

"Much new productive capacity is planned in Canada and the United States, as well as in the United Kingdom, and it is my hope that by 1958 or 1959 the present unbalance between supply and demand will be considerably eased. However, by 1960 it is probable that the world demand will reach something of the order of 16 million tons annually, and I am not yet convinced that the productive capacity available by that time might not still fall short of that demand.

"Many forecasts relating to newsprint consumption have been scientifically prepared, and I believe that the three most reliable were those of the American Newspaper Publishers' Association, the Weyerhauser report and the report of O.E.E.C., all of which forecast an ever-increasing demand for newsprint for the forward period covered by those reports, which cover periods ranging from 1960 up to 1975. True, statistics prove nothing in relation to the future and forecasters have been known to be wrong, but I do believe that, subject only to a slump developing on the scale of that of the early thirties (which I do not anticipate), these forecasts of consumption are likely to prove reasonably accurate."

On newsprint prices, the Chairman referred to an editorial in the "Wall Street Journal". Substance of the editorial was that higher prices for newsprint are painful to publishers as well as to the reading public who have to pay higher prices for the newspapers, but freedom of the Press does not require that newspapers should be free from the pains of the market place.



This—one of the largest industrial power stations in Europe—will serve the Bowater mills at Kemsley and Sittingbourne; it will save 50,000 tons of coal annually and can readily be converted to oil. Another new power station at North Fleet will serve Bowater Thames Division. The new production development at the Mersey, Tennessee and Canadian mills also includes similar plans to meet increased demands for electrical energy.

On the contrary, the freedom to buy newsprint in a free market is necessary to the freedom to publish. If the newspapers of the world were to yield up that liberty to any authority, however benevolent, for long, they could not for long be certain of any of their liberties.

Illustrating the ever-increasing costs of production, Sir Eric pointed out that in Canada, where the principal item in the cost of production is necessarily wages, particularly in the woods, basic rates of pay had risen by 119% in the woods and 103% in the mills during the last ten years. "I am in no wise opposed to these increases in wages," said the Chairman. "On the contrary they have in my opinion been fully justified. I quote them merely as a yardstick to emphasize the measure of inflation that has taken place during the last decade. So with other costs too; in these circumstances it seems not unnatural that the price of newsprint and other papers should have risen sharply during this period—yet not, I venture to say, as sharply as circumstances might have justified. In my opinion the newsprint industry has shown the greatest restraint in its pricing policy, which I think is graphically illustrated by the very modest increase of $4.00 per ton—the first for 3½ years—that became generally operative at the beginning of this year."

Demand for paper continues to grow in practically every other grade also besides newsprint, particularly those grades catering for the packaging industry, the expansion of which has been phenomenal since the war. While there may be some easing in this situation in the near future, Sir Eric was completely confident. He said: "We are engaged in a growth industry."

The British newsprint industry is largely dependent on raw materials imported from overseas. Although having under its own control a very substantial part of its raw material requirements, both for pulp in its varying forms and for pulpwood, the Organisation's needs are ever-increasing and it is necessary to look far ahead. Production of the groundwood pulp mills in Scandinavia and the sulphite pulp mill in Canada is being stepped up, while revised plans for building a groundwood pulp mill alongside the Mersey Division of Bowaters United Kingdom Pulp and Paper Mills Limited at Ellesmere Port in Cheshire, will provide for that mill to become entirely self-sufficient in respect of groundwood pulp. Even these additional facilities will not in themselves be sufficient wholly to safeguard supplies. It has also, therefore, been decided, in principle, to construct a groundwood pulp mill in Canada with a capacity of about 100,000 tons of pulp annually.

Sir Eric then reviewed the affairs of The Bowater Corporation of North America, which consists of Bowater's Newfoundland Pulp and Paper Mills and the Bowater Power Company (both in Canada), and, in the United States, Bowaters Southern Paper Corporation, the newly formed Bowaters Fibreboard Company and the Bowater Paper Company of New York, the medium through which all North American production is sold and distributed.

During the year the Corner Brook company sold its hydro-electric power interests to the newly formed Power company. There was, accordingly, some diminution in its revenues but this diminution is offset by the revenues of the Power company, which continues to operate on a profitable basis. Profits of the Corner Brook company remained at much the same rate as before and, but for the substantial increases in costs that occurred during the year, would have been at an even higher level.

The equity capital of the Tennessee company was increased during the year by $2,500,000, subscribed for in cash by the North American Corporation, bringing the equity capital of the Tennessee company up to $17,500,000.

The substantially increased earnings of the North American Corporation for the year under review, amounting to $22,579,000, an increase of approximately $5,500,000 over those for the previous period, are in the main attributable to the greatly increased earnings of the Tennessee company, representing a full year's operation of the mills of that company. The earnings of the other subsidiaries of the North American Corporation are also running at a satisfactory level and its profits for the current year are again likely to show an increase.

Since the date of the Accounts the North American Corporation has made a successful issue in Montreal on favourable terms of $17,500,000 5 per cent Redeemable Preferred Stock, the first public issue

Another example of Bowater policy of diversification—the manufacture of fibre building boards. Bowaters have for 20 years been helping to meet an increasing demand for these versatile materials. Today, in the United States alone, it is estimated that consumption of building board will have doubled within the next five years.

At Calhoun, Tennessee, a new mill, with an annual capacity of 120,000,000 square feeting of building board is to be erected.

of share capital that we have made in North America. This Stock is redeemable at the option of that company and the proceeds of the issue will provide funds towards the financing of the various developments of its subsidiaries that are now under way, particularly in the United States.

The Corner Brook company's mills operated at the highest rate of production they have yet achieved, necessitating the cutting of more than 500,000 cords of wood, which provide much needed employment in areas where unemployment might otherwise have prevailed.

Profits of the Power Company are running at a satisfactory level and demand for electrical energy in Western Newfoundland continues steadily to grow. Arrangements have now been completed for the immediate installation of a further 13,500 kw. hydro-electric power plant, the larger part of which has been ordered in the United Kingdom, at an estimated cost of $2,500,000, and due for commission by the end of 1957.

The Tennessee mills had a highly satisfactory year's operations. Designed originally to produce 125,000 tons of newsprint and 50,000 tons of market sulphate pulp, they reached in recent times an annual rate of production of 212,000 tons of newsprint and 75,000 tons of sulphate pulp. To this end the company spent during the year out of its own resources a sum of 2¾ million dollars on the original plant, quite apart from capital expenditure on the No. 3 machine, which will come into operation before the end of the current year and will raise the overall newsprint capacity to more than 300,000 tons annually.

"Such is the demand for the Tennessee company's products," the Chairman stated, "that we are seriously considering the early installation of the fourth machine for which the lay-out of the plant was originally designed, and which would substantially complete the development of that company's mills."

The decision to proceed with its installation will depend upon experiments being carried out in connection with the economic use of pulp made from hardwood as distinct from Southern pine. The production of a fourth machine has already been sold on an "if and when" basis.

A new company, Bowaters Fibreboard Company, Inc., was formed last November to set up on a site adjacent to the Tennessee mills a fibreboard mill with an annual capacity of 120 million square feet of building board. A very ready market exists for its products, all the more so as there is no other fibreboard mill in this rapidly growing area.

The starting-up of the third machine at Tennessee means that a considerable part of the present production of that mill's market sulphate pulp will soon be absorbed in the manufacture of additional newsprint by the new machine.

"The overall supply position for this type of pulp," said the Chairman, "is not such that we would willingly deprive our other mills of supplies from a source which is under our own control. In any case, these mills' requirements continue steadily to grow. Moreover, should we decide upon the installation of the fourth machine in Tennessee, bringing the capacity of that mill up to more than 400,000 tons of newsprint per annum, the entire sulphate pulp production there would be needed to meet the enlarged consumption by that mill.

"In these circumstances, we have decided, subject only to the necessary consent of the local authorities concerned, to embark immediately upon the construction of an entirely new sulphate pulp mill near Rockhill in York County, South Carolina, where after a prolonged search we have been fortunate enough to find an ideal mill site on the Catawba river with all the essential prerequisites for our purpose. We have also under consideration the construction on the same site at some later date, either on our own account or in conjunction with a large consumer, of a paper mill to manufacture papers used in the packaging industry, in which we are already actively engaged."

In conclusion, Sir Eric stressed his complete confidence in the future of the industry. The United Kingdom continues to enjoy the benefits of full employment, while in the United States recent figures of unemployment, despite some recession in the motor vehicle and farm implements industries, were at a low ebb, and the total number of people engaged in industry greater than ever before.

"The credit squeezes in both countries—provided they are intelligently handled, as I have no doubt they will be—should, in my opinion, do no more than check undesirable inflation. I have heard of no curtailment in plans already made for the further development of industry in the United Kingdom, the United States and Canada. On the contrary, in all these countries, and particularly the United States, new factory and plant construction is still running at the highest level of all time. There will undoubtedly be periods when we, in common with others, will have to work hard to sell all we make in a competitive world. Should such a situation come, as come it well may, it would have the good effect of keeping us all right up on our toes and my view of the future would still be one of restrained optimism."

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Stockholders will automatically receive copies of the complete speech by Sir Eric Bowater, Chairman of the Corporation. Copies are also available to others who are interested on application to:

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The Bowater Corporation of North America Ltd.,
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Our Tariff Policies 'Restricting'

Sensible Protection Package Urged By Manufacturers

By L. D. SMITHERS

Tariffs are nearly always discussed with emotion, L. D. Smithers, executive vice-president, Dow Chemical of Canada, told a meeting of the Canadian Manufacturers' Association this week.

We are all free traders when we buy and all protectionists when we sell. The farmer abhors tariffs but he wants foreign grown vegetables kept out of Canada when his are in season.

What can we do about this whole tariff problem? Here's what Mr. Smithers says we can do about it:

Let me say that we are opposed to two basic premises that have been voiced from time to time recently. These seem to us to be reactionary, non-Canadian and just plain bad economics. These are:

1. Canada should not industrialize beyond the stage of "hewers of wood and drawers of water."

2. So-called secondary manufacturing in Canada robs the working man by raising prices to him.

These two are closely related, and both seem to us to be completely non-nationalistic. We believe that the more work we perform on our resources, and the more we encourage domestic competition, the more people we will employ at good wages and the higher will be our standard of living.

Tariffs, of course, are nearly always discussed with emotion. We manufacturers who are most directly affected by them have learned to expect an emotional outburst whenever the subject is raised. It helps a little to remember we are all free traders when we buy and we are all protectionists when we sell. The farmer abhors tariffs but he wants foreign grown vegetables and melons kept out of Canada when his are in season.

Our government's present tariff policy is designed to encourage the elimination of trade barriers, so that we may get rid of our exportable surpluses. It is also intended to foster low consumer prices by discouraging so-called "inefficient" production in Canada.

The intent is above criticism, but the net result after many years of operation under the policy may be questioned. We believe that in its application our tariff policy has

a) Discouraged the manufacture of new products.

b) Been discriminatory in permitting tariff exemptions for certain end uses.

c) Accomplished no more in eliminating trade barriers than would a policy more sympathetic to domestic manufacturers.

d) In the long run prevented lower consumer prices.

Let's look at each of these points briefly.

Take it from me, its hard to get a tariff raised. Many items not now manufactured in Canada are admitted duty free, and perhaps they should be. But when Canadian production begins, they are still duty free, or nearly so.

Most people misunderstand the relationship between volume and manufacturing costs. For this reason they cannot understand our inability to compete with all comers on a tariff free basis.

They do not realize that if our prices are comparable to import prices, we will lose some of the market—perhaps a large part of it — to foreign manufacturers. If we wish to capture the entire Canadian market, as we frequently must, to attain competitive volume, we must sell at substantially below the price of our foreign competitor. With little or no protection, this presents a very real deterrant to new product manufacture.

A Vicious Circle

There aren't many new chemicals which look very good economically on that basis. So there is a tendency to stick to those items which are already made here, and for which there are tariffs. The kind of chemical integration which gives the best costs and best consumer prices is delayed. Yet we need this kind of integration if we are to compete in world markets. It's a vicious circle. I won't say we ultimately will not achieve true integration, but I will say that this development is being retarded.

What about end use discrimination. Many manufactured items, otherwise protected by tariff, are duty free when they go into such industries as agriculture, mining or synthetic rubber. This pattern eliminates many chemicals and other manufactured products from consideration for Canadian manufacture. It would seem that Canada should be self sufficient in these items because agriculture and mining are so basic to Canadian economy.

This end use pattern is political as well as economic, and we can understand how these discriminatory exemptions evolved. We suggest that this policy may not have matured with our economy, and that it needs to be brought into focus.

Have we been successful in reducing foreign trade barriers? To answer flatly "no" to this question would be wrong, because no one can deny Canada's splendid reputation abroad. The accomplishments from Canada's "lead the way" policy necessarily are intangible, and should not be ridiculed.

Foreign Attitude

But try as we may, we fail to find a willingness on the part of any foreign government to permit Canadian manufactured articles to work a hardship on the manufacturers of the foreign country. Most frequently, lack of dollars is given as the reason, but the attitude of foreign governments on this point is most significant. They believe that they have "liberalized" trade when they issue an occasional import permit.

In several countries into which we are presently selling, new chemical plants are under construction. We have been told that these plants have government support and that when they are completed, goods of foreign manufacture will be admitted only to the extent that the new plants are unable to supply. Government officials of these countries are surprised that we would expect actually to compete with their domestic manufacturers. Tariff protection is of course automatic but even with tariffs no imports will be permitted except to meet shortages.

Free trade to others simply does not mean the same as it does to us. To most governments a tariff of 20% to 30% with no other restrictions, means completely free trade.

We believe Canada's free convertability and lack of import controls have contributed much to her fine reputation abroad. We do not believe her "stand pat" attitude against any tariff increase, regardless of circumstances, has won many foreign friends. Indeed there is evidence that some foreign governments view this as "extraordinary" — as somewhat non-nationalistic.

Effect On Domestic Prices

Now we may examine the effect of our tariff policy on domestic prices. Have our policies kept prices down? Perhaps. In some cases, yes. But what are the long range effects? We believe strongly that the consumer benefits from domestic sources in the long run. There just isn't any substitute for keen domestic competition to give low domestic prices.

Any plan which discourages domestic manufacturers by encouraging a flood of cut rate imports is likely ultimately to cost the consumer more money. Foreign cut rate prices don't last long when domestic competition disappears. When shortages occur the countries without domestic production pay most heavily.

A few years ago, ethylene glycol used in antifreeze and explosives was in serious over-supply. Canadian producers, with no tariff, were hard pressed. Only with great difficulty did they survive. Today glycols are in short supply. If the Canadian producers had withdrawn, the Canadian consumer would likely today be paying a higher price for his glycols, if he obtained them at all.

I've said that Canada's policies toward tariffs are restricting industrial growth. This doesn't mean that industrial growth won't take place in any event. It will. But a more sympathetic policy would certainly speed it up. Therefore, the present policies are "restricting."

It's difficult to make a point on tariffs these days in the face of our boom. "We are doing all right." We hear that frequently. And I'm sure we are. But, we mustn't accept this without qualification. For one thing, many of our manufacturers aren't doing all right. To quote our own C.M.A., 23,000 out of 60,000 Canadian corporations liable for federal income tax paid none in 1955. They weren't making a profit. Many of these surely are manufacturers.

Our gross national product has shown substantial increases in the last few years. We must remember, however, that with all our prosperity in oil, pulp and paper, and minerals, our G.N.P. has increased less rapidly than several other industrial nations.

First and foremost in our minds must be the knowledge that today's world wide demand for manufactured products of all kinds is giving us a great deal of protection against imports. This makes our position as Canadian manufacturers far more precarious than manufacturers elsewhere in the world. When this boom subsides, and it is likely to one of these days, we will again have to contend not only with a slackening of our domestic market but with a flood of distressed products from abroad.

Possible Policy

"Well," you may say, "we agree that Canada's policy toward tariffs has caused us some trouble, and we are worried. But what can we do about it?"

There isn't any single, easy solution to so complicated a problem. But by trial and error over the years we have formulated a policy which we feel is most likely to get results. This is it.

a) Be consistent. Don't request free entry of things you want to import, if they are made in Canada, and then request protection on the things you want to make in Canada.

b) Don't use high wages as a major argument for tariffs. To do so clouds the more important issues, and makes us appear to be reactionary. To infer that we can compete in foreign markets only if we reduce our wages is politically unacceptable and usually untrue.

c) Be moderate in your views on the subject, and don't expect tariffs to underwrite an investment. Don't expect tariffs to much more than assure you the Canadian market at the "going" foreign price—10% won't do this. 15%-20% usually will. Nothing has done so much to sell unreasonable free trade as unreasonable protectionism.

d) Take every opportunity to present a sensible protection package to all people. It's up to us, not our government, to sell the idea that a policy which gives the Canadian manufacturer a preferred position in his home market is going to benefit the individual and the nation.

Refinery Unit Contract Let

Contract for construction of new crude processing facilities at British American Oil's Clarkson refinery, which will add 40,000 barrels of crude oil per day to the refinery's present 21,500 b/d capacity has been awarded to The Canadian Kellogg Co.

Construction will begin shortly. The crude processing units, to cost some $5.1 million, are in addition to the 10,000 b/d catalytic reformer presently being built at Clarkson. This expansion is part of company's estimated $56 million capital budget program for 1956.

The crude oil for these new processing facilities will be supplied by the extension of the Interprovincial Pipe Line from Sarnia to the Clarkson area. This pipeline, scheduled for completion in fall of 1957, will permit greater flexibility of operations and guarantee Clarkson refinery a year-round supply of Canadian crude oil. Extensive tank storage is now needed during the winter months.

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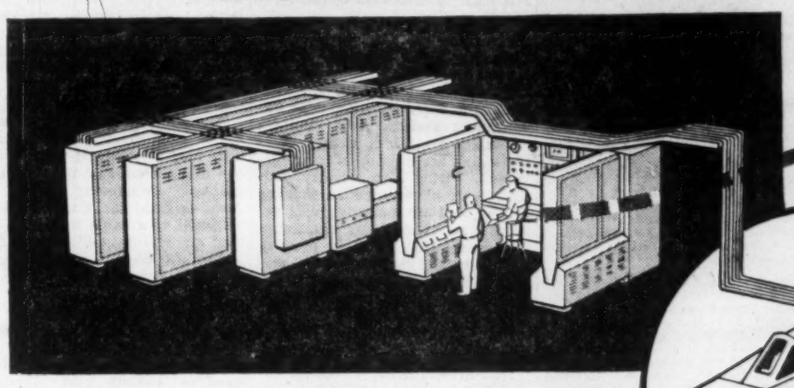

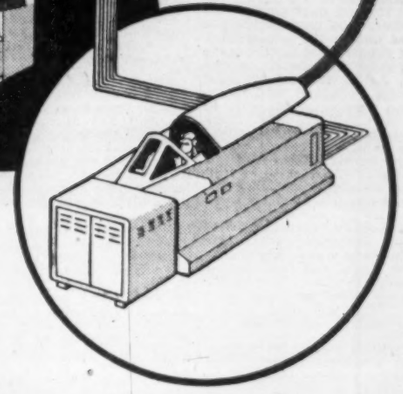

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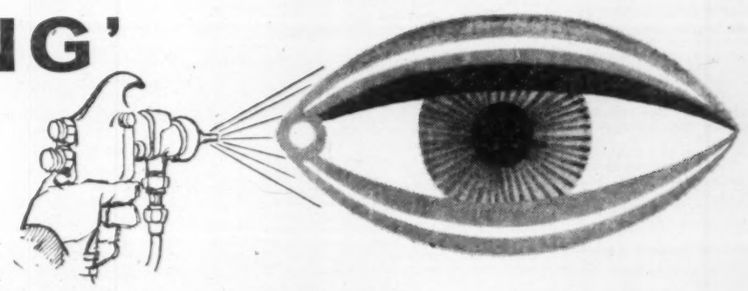
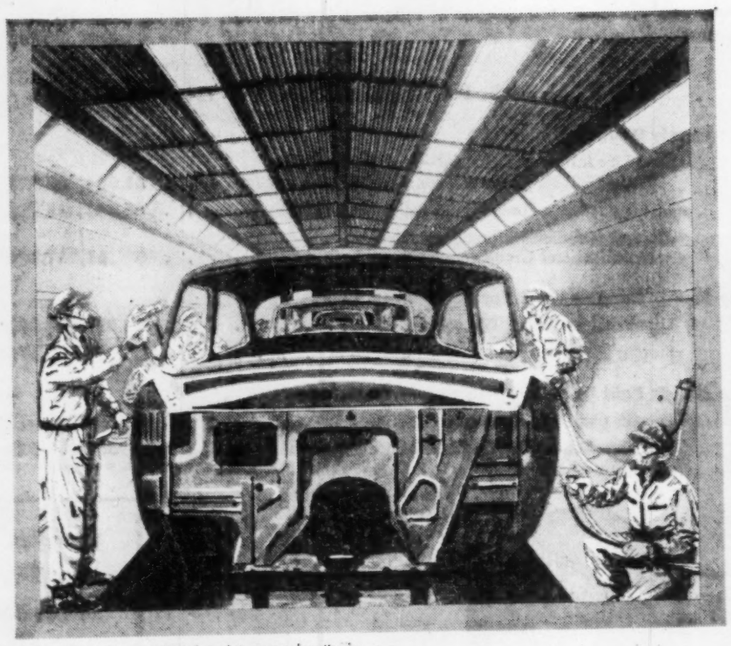
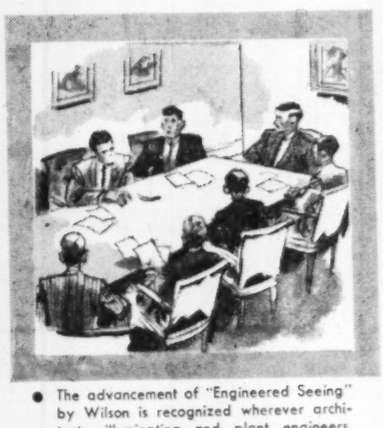


In Paint Spray Booths vaporized paint soon coats electric fixtures: the "Vaporlume" (illustrated here) was especially designed to encase the luminaires from such annoyance. In our laboratories Wilson engineers are daily developing newer and better fixtures to protect the "Eyes of Industry". Reducing eye-strain in schools, businesses and industry, increases efficiency and boosts productior



• Recently completed paint-spray booth in production line of one of the "Big 3". Wilson's "Vaporlume" fixtures were specified and can be seen at work in this photograph.



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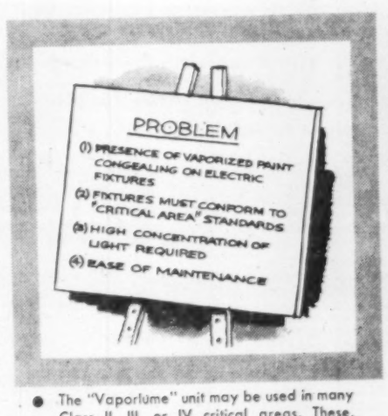

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SUNDAY PICTORIAL NEWSPAPERS (1920) LTD.

STRONG FINANCIAL POSITION

CECIL H. KING REVIEWS WORLD-WIDE INTERESTS

The Thirty-Sixth Annual General Meeting of Sunday Pictorial Newspapers (1920) Ltd. was held on June 4, at Brettenham House, Lancaster Place, London, W.C.2. Mr. Cecil H. King, Chairman and Managing Director, said:—

The year which ended on 29 February was overshadowed by two strikes and the trading profit of your company was heavily reduced. During the newspaper strike, when we were prevented from publishing four issues of the Sunday Pictorial, we operated at a loss. The rail strike was less serious, but the Sunday Pictorial, printed at that time only in London, had to bear extremely high costs of air and road transport.

Costs continued to rise during the year. The revised wage agreements of November, 1954, maintained the industry as one of the most highly paid in the country and further wage increases were introduced in the following June. Railway freight charges were increased, and newsprint prices went up once again in the New Year. On the other hand, the retail price of the Sunday Pictorial rose to 3d. in October and in January the advertisement rate was raised 12½%.

It should be mentioned that the rise in costs has not been compensated by a rise in productivity. The number of Sunday newspapers was reduced in November when the Sunday Chronicle was swallowed by the Empire News, and this merger — like that of the Daily Dispatch a week later — must be taken as a warning of the economic tension that has resulted within the industry.

You will have seen from the accounts that, while the trading profit of your company decreased by £130,395, the total of dividends, interest and other income was higher. Taxation provisions were less and the net profit was only slightly lower than in 1954/55. We have recommended that the dividend be maintained.

Four Newspapers in Scotland

During the year the liquid resources of your company were enlarged by the disposal of its holding of 'A' Ordinary shares in Albert E. Reed and Co. Ltd. Part of the proceeds of this transaction was used to purchase 50% of the First Preference and Ordinary Share Capital of the Scottish Daily Record and Evening News Ltd., publishers in Glasgow of the Daily Record, Noon Record, Evening News and Sunday Mail. The other 50% was acquired by your sister company, The Daily Mirror Newspapers Ltd. Because of distribution solely from London, sales of the Sunday Pictorial, as of the Daily Mirror, have always been restricted in Scotland. By acquiring papers with established circulations and their own sources of advertising revenue, we have entered a field where we have never before been able to offer the strongest competition. Profits from our interest in the Scottish company should, in the long run, be greater than those to be derived from extended Scottish sales of the Sunday Pictorial.

The Start of Northern Printing

Towards the end of 1955, arrangements were made for printing the northern editions of the Sunday Pictorial on plant owned by Kemsley Newspapers Ltd. at Withy Grove, Manchester. This was a most important development and will be of great benefit to the Sunday Pictorial, long handicapped by its lack of late sports coverage in the north of England. Now, by going to print later, the northern editions should expand in circulation to give a more balanced distribution of your paper over the whole country.

Growing Sales of Sunday Pictorial

Sales of your paper have been entirely satisfactory. The consistently rising trend of the last three years levelled off during the first half of 1955. But over this period, which was disrupted by the strikes, we suffered far less than either the News of the World or The People, the papers immediately above and below us in circulation. In the second half of the year, when in company with other Sunday papers we raised our price to 3d., the Sunday Pictorial reached an average sale of 5,600,642, showing a greater numerical and percentage increase on the first half of the year than any of its competitors.

Sales of the Daily Mirror have also been good. In spite of strikes and a price increase, the daily average net sale figure for 1955 was at a level only just below 4¾ million.

Woman's Sunday Mirror Gains Strength

The chief experiment of last year in which you were interested has been a notable triumph. Although born into a world of strikes, Woman's Sunday Mirror passed its first birthday with a rising circulation of over 1,100,000. Sales of the leading women's periodicals continued the prodigious rise shown since the war, and Woman's Sunday Mirror, its own personality established, has taken full advantage of this growing number of women readers.

Reveille Newspapers Ltd., your associated company, returned a much smaller profit than last year. Both Weekend and Midweek Reveille, suspended by the newspaper strike, lost revenue from sales, advertisements and competitions. Price increases were introduced during the latter half of the year and circulations fell. Some competitors, such as Weekend Mail and Titbits, showed a smaller decline, but no publication in this field altogether escaped the general recession of demand to be expected after the boom period of the last few years. The combined sale of Weekend and Midweek Reveille, at an average of just under 4½ million over the last six months of 1955, was still more than two-and-a-half times as great as that of any of their competitors. In the first months of this year there has been an advance in the sales of both publications.

High costs proved too great for Junior Mirror. Publication ceased at the close of the financial year, and its less successful rival, Junior Express, was left to battle on alone with the further extravagances of colour production.

High Costs in Australia

You will now wish to hear of your concerns abroad. News from Australia is not yet entirely satisfactory. Although radio interests (recently expanded with the granting of television licences) continue to do well, the daily newspaper, The Argus in Melbourne, is still not free from problems.

When you acquired your interest in 1949, The Argus was the most depressed metropolitan newspaper in Australia. Since then there has been enormous development. Staff has been reorganized to such an extent that no other paper in Australia can claim to have better; sales have increased in greater proportion than those of any competitor and a full share of advertisements has been gained.

But in spite of these advances The Argus is still not out of the wood. Labour costs have gone up. The cost of newsprint at an average price of over £70 a ton — over 20% higher than in this country — already more than offsets the revenue from sales. Advertisement revenue, derived largely from the classified market, is as high as can be expected; not only is it difficult to enlarge but it might even diminish if the present economic boom ever gave way to recession. Moreover, circulation has already risen beyond the point at which existing plant can safely be considered adequate, and the company may soon be compelled to increase its capacity for colour printing in order to be more competitive in the advertising field.

The weekly paper, Australasian Post, tells a similar story. Circulation has risen sharply. In April 1954 it averaged 98,000; eighteen months later it had reached 227,000. Nevertheless, the figure must rise again considerably before the high costs of production are fully counterbalanced.

Birth of a New Paper in West Africa

In West Africa, on the other hand, your company's interests flourish. At a time when the sudden death of established newspapers was being lamented in this country, a new evening paper was being born in Lagos. You now have an interest in a total of six newspapers in the three territories. Circulations have continued to rise. In Sierra Leone the 10,000 mark has been comfortably passed. In the Gold Coast and Nigeria circulations of the daily papers reached averages of 54,737 and 65,756 over the latter half of 1955, increases of 24% and 29% on the same period in 1954.

In all three countries a big proportion of readership is in the larger towns where literacy is higher and there are fewer difficulties of distribution. But African governments are spending more both on education and on communications, and these developments should gradually bring wider sales. New territory is being penetrated — a special edition of the Nigerian daily paper is now flown out four times a week to the Cameroons some 450 miles away — and though costs of carriage may now be high the eventual reward will, it is hoped, be considerable.

As sales grow even further, plant will have to be expanded; but any problems encountered will be political rather than commercial. As you know, both Nigeria and the Gold Coast are nearing self-government. By providing impartial newspapers, staffed almost entirely by Africans and produced for Africans, we have done much to develop and encourage the political consciousness of both these countries. But you will understand that, as autonomy approaches, the political problems involved in such a project naturally grow more intricate.

Expansion in Pulp and Paper

Let us now consider your interests in the pulp and paper industry. The Albert E. Reed company has shown a substantial increase both in its overall turnover and in productivity. A large amount of money is to be invested over the next two or three years in plant and buildings at Aylesford and elsewhere, and a new glazed kraft machine has already been installed. The newly associated companies have also continued their programmes of expansion. Kimberly-Clark Ltd., previously known as Cellucotton Products Ltd., has proceeded with its new converting factory. In New Zealand, the Tasman Pulp and Paper Company has completed the installation of its new paper-making plant; production, planned initially at a yearly rate of 75,000 tons of newsprint, began in November. The integrated sawmill, pulp and newsprint operation is now New Zealand's biggest single industrial enterprise.

In November market hopes of a larger interim dividend from Albert E. Reed were more than fulfilled by the maintenance of 10% on its increased equity capital (in which your interest is now confined to a large holding of Ordinary shares).

Your company's concerns in Canada also had an excellent year. Anglo-Canadian Pulp and Paper Mills Ltd. again showed a rise in total production and the consolidated net profit went up by $¾ million. The demand for newsprint, the company's main product, was particularly keen. The world shortage of this commodity (which seems to have been apparent to everyone except the President of the Board of Trade) became more acute towards the end of 1955 with the remarkable increase in consumption by American publishers. At the Dryden Paper Company, Anglo-Canadian's subsidiary in Ontario, the new development scheme was begun during the year. Although the first stage was delayed by strikes, it is anticipated that the whole programme, designed to double production by July 1957, will be finished according to schedule.

The Future

From this account of your company's many interests, you will see that, in spite of obstacles at home, the health of your overall investments has been good. It remains for me to thank all staffs, both at home and abroad, whose co-operation has contributed to the year's result and to say that we can look forward to the future with confidence.

The report and accounts were adopted.

Profitable Ideas For Your Business Here?

Opportunities In Dept. of Trade and Commerce List

Here are summaries of new manufacturing opportunities which have been submitted to the Industrial Development Branch of the Department of Trade and Commerce, Ottawa from various sources. They cover patents, techniques, formulae, processes, equipment, capital, service and technical or sales assistance. The descriptions are taken from the statements made by firms or other agencies concerned.

Booster Pump

Pump with submersible motor is built in the form of a pipe and forms an integral part of a waterworks pipeline. Underground chamber saves cost of pumphouse. Pump has been applied in a fast-growing Canadian municipality as a short-term solution for a low pressure area. Motor starter can be operated by pressure switch, remote or pushbutton control.

New Alloy

Developed in Germany, "Main Metal" is being produced and tried in Great Britain, Switzerland and Sweden, with very encouraging results, it is claimed. Canadian and U. S. manufacturing rights are now open for negotiation. Firms with foundry facilities and experience in making bronze and tin bearings will receive preference. An aluminum zinc alloy, this metal in used in the German auto industry and railroads for a variety of parts, including castings, pressings, forgings and extrusions.

Wall Paint

Non-inflammable, sound-absorbing, non-fade, easy-mix are claims for this powdered product which is ready for use when mixed with water. It is intended primarily for application with a sprayer, gives a highly decorative stipple effect. This paint is licensed and produced in several European countries according to the Swiss firm offering Canadian rights. Literature in French available.

Molded Glass

British firm offers manufacturing rights in Canada for small molded glass products such as lenses for camera viewfinders, school microscopes, clock faces, glass slides and precision glass balls. English Glass Co. Ltd., Empire Road, Leicester, England.

Self-Locking Nut

Self-locking even under vibration, this lightweight nut can be punched in series production and has inherent strength. With screw partner performs entirely by itself. Norwegian firm offers Canadian manufacturing rights. Sample available. Messrs. Anker Hansen, Skippergaten 30, Oslo.

Anchor for Machinery

German firm offers license for production and sale in Canada of B-W Fixator—an adjustable anchor for machinery with the following features: simple, easily adjustable, cuts down on noise, low installation price, independent of floor material, stress absorbing, and allows full use of floor space while machinery being replaced or repaired. Illustrated literature available.

Grinds Tungsten Carbide

American firm offers rights to manufacture in Canada a machine for grinding tungsten carbide clamp-on inserts to close tolerances (±.00025 inches). Inserts varying in length from ⅛ to 1½ inches can be produced at the rate of thirty per hour. Write directly to Armwall Inc. of Murrysville, Pa., U.S., where one of these machines may be demonstrated in use.

Explosion Safety Device

This device cuts off air flow and eliminates spreading fires by using the pressure irregularities created through exhausts and pipeline fractures to effect immediate stoppage of coal grinding installation. Canadian license rights offered by Austrian firm.

Woodworking Machine

License offered by Austrian firm for new kind of double duty woodworking machine on which inverted, twisted and turned planes and molds can be formed without preparations in the shortest time. Models can be made quickly and cheaply.

Ripple Sole

A new-design shoe sole for duty and casual shoes, formerly custom made for orthopedic purposes. The ripples or waves, like cleats, are across the sole and the pattern is continuous from heel to toe, distributing the weight along the entire foot and giving traction on slippery surfaces. Manufacturing rights now open for use by Canadian shoe firms. Ripple Sole Corp., 28 West Adams, Detroit, Mich.

Portable Studio

Photographer has developed and used in the Middle East, a complete photographer's studio in one portable apparatus comprising enlarger, reducer, copying machine, projector, contact printer, red and green safelights, white working light, trimmer, glazer and dry mounting press, main and secondary lighting reflectors and a stand camera . . . all in one. An illustrated description of the Photo King is available to firms interested in Canadian or North American rights.

Platform Lift

Suitable for lifting loads up to 20 tons and heights up to 80 in., these rising platforms are electrically driven with pushbutton control, and are custom built for use at loading docks, for overcoming differences in levels of adjoining buildings, for handling newsprint rolls, etc. Advantages claimed are easy maintenance, strength with simplicity, and explosionproof construction. Various models are available, either portable without foundation or imbedded as a permanent installation, also tilting platforms. German firm offers Canadian rights to steel fabricating shop. Illustrated literature available.

Guide Mechanism

A guide and table for converting a hand electric saw to table use. Has attachment parts which are made a part of the saw shoe without interfering with the saw's original use. Can be quickly attached to a table for cross cutting or ripping. Floyd R. Getsinger, 43 West McDowell Road, Phoenix, Arizona.

These are new ideas announced by the government-owned Canadian Patents & Development Ltd., Ottawa, which handles patent and licensing matters for the National Research Council and certain other government departments and agencies:

Blood Pressure

An apparatus for the continuous measurements of blood pressure during an operation. The blood pressure reading can be taken at an extremity, preferably a finger, and a continuous record is obtained.

Anti-Toxin

A substance which has the power of inactivating the toxins produced by certain bacteria such as those responsible for diphtheria tetanus, gas-gangrene, botulism, staphylococcal infections and others. The substance has low toxicity and is not antigenic so that it will not be interfered with by repeated use. The substance is obtained from a mold but is not an antibiotic.

Bevel Gear

A mechanism that overcomes the difficulty in maintaining bevel gears in perfect mesh by a simple and quick adjustment without the use of shims or equivalent members.

Safety Vent Plug

A safety device for use in vents to prevent escape of liquids. Developed for use in fuel pressure gauges to prevent escape of fuel through the air vent in case of either sudden diaphragm failure or slow leakage. Many other possible applications.

Radiation Detector

A much greater range of count indication than the Geiger counter is obtained in this detector by the combination of a halogen quenched Geiger-Muller tube and a cold cathode trigger tube.

Flexible Coupling

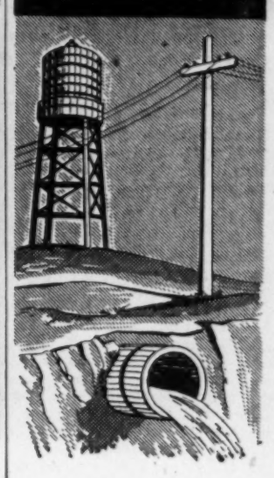
A coupling used in aircraft engine oil and fuel piping to eliminate vibrational fatigue, would have many applications on other machines where flexibility in the hydraulic lines is needed. The coupling is flexible axially and angularly, can be made of metal without sacrificing flexibility and provides a positive seal. This invention also provides a coupling that has multiple safeguards against failure of the joint.

ANNOUNCEMENT

STEWART M. ANDERSON

Tisdall, Clark & Company Limited, public relations counsel and services, has announced the appointment of Stewart M. Anderson to its staff. A native of Halifax, he attended university there and afterward served on the editorial staffs of Nova Scotia and Ontario newspapers. Before his new appointment he was with Canadian Press in Toronto, his last assignment being CP parliamentary correspondent at Queen's Park.

IT'S WOOD but it won't decay — or be eaten away —



Fir, cypress or green spruce—it's all wood to NOR-VAR CARBOLINEUM. Any wood will take it in, and retain its decay resistance and vermin repellent action for many years beyond the normal useful life of untreated wood. Above ground, on the ground, under ground — it's all one to wood preserved by NOR-VAR CARBOLINEUM.

NOR-VAR

CARBOLINEUM WOOD PRESERVATIVE

Where wood should be used —use wood—wood fortified for life by NOR-VAR CARBOLINEUM. It can be done effectively at surprisingly low cost, right on the job anywhere by immersion or brushing, without pressure processing of any kind. MOST USED, BECAUSE IT IS MOST USEFUL.

THE Pfeffer IMPORTING CO.
DIVISION OF THE NORTHERN PAINT AND VARNISH CO. LIMITED
OWEN SOUND, ONTARIO
Representatives: Toronto, London, Hamilton, Montreal.

Round Steak was 12¢ a Pound

Some folks recall those times as "the good old days"... back in 1906. Theodore Roosevelt was in the White House. San Francisco was starting its magnificent recovery from earthquake and fire. Milk was 7¢ a quart and potatoes were 25¢ a peck. A good farm hand earned $1.25 a day and everybody worked six days a week.

That year, 1906, also saw the birth of Occidental Life Insurance Company of California in Los Angeles.

Now, fifty years later, while population has doubled in the United States and trebled in Canada, Occidental Life has roughly *doubled in size every four years.*

Today it is the 12th largest of more than 1,100 life insurance companies in North America—measured by its more than $6 billions of life insurance in force. This, we think, is sound proof of performance for our policyowners.

Tomorrow will always be more important than yesterday. Helping people prepare for their tomorrows is the service on which Occidental was built. As the Company enters its second half century rededicated to this task, it renews its institutional pledge to provide . . . *"More Peace of Mind Per Premium Dollar."*

HIGHLIGHTS OF OUR GROWTH IN 1955

More People Protected

New Life Insurance Delivered—Individual policies, $731,017,283*; Group policies, $333,591,654. *The total* . . . **$1,064,608,937**

Life Insurance in Force—Individual policies and Group **$6,094,475,790***

Accident and Sickness premiums received—Individual and Group combined . . . . . **$ 61,951,846***

More Money Hard at Work for Policyowners

Occidental Assets in 1955 increased to . . . . . **$ 517,440,493***

Surplus as regards policyowners increased to . . . . . **$ 46,730,676***

More Money Paid to Policyowners and Beneficiaries

Benefits paid in 1955 increased to . . . . . **$ 94,030,472***

Total Benefits paid by Occidental since organization . . . . . **$ 577,598,622**

* *Indicates a new record.*

Canadians owned more than $396 million dollars of Occidental life insurance at the end of 1955

"Your friend for Life"

Occidental Life

CANADIAN HEAD OFFICE *London, Ontario*

For information about any of Occidental's policies for Life, Accident and Sickness or Group insurance call any of these offices:

AYLMER . . . W. G. Eastman, *R.R. No. 5*
CALGARY . . . Paul Kryski, *620 Eighth Avenue, West*
EDMONTON . . E. W. Davis, *10127-102nd Street*
LONDON . . . Miller-Underell Agency, *291 Dundas Street*
MONTREAL . . Martin Arnovitz, *1117 St. Catherine Street, West*
OTTAWA . . . Ernest R. Harsh, C.L.U., *510 Commonwealth Building*
George F. Perley & Co., *46 Elgin Street*
ST. CATHARINES T. F. Longhurst, *Post Office Box 314*
SUDBURY . . . A. L. Rogers, *348 Morris Street*
TORONTO . . . Michael Barnes, *33 Bloor Street, East*
Reg. C. Ellis, C.L.U., *80 Belsize Drive*
F. S. Fulthorp, *6-8 King Street, East*
S. B. Reynolds, *14 Toronto Street*
Val Taylor, *7 Pleasant Boulevard*
S. J. Weatherley, *125 Lyndhurst Avenue*
VANCOUVER Elgood-Edwards & Company, *789 West Pender Street*
Duane Onstad, C.L.U., *1678 West Broadway*
WINNIPEG E. J. Aronovitch, *201 A & L Building*

ANNOUNCEMENT

LAURENCE M. SAVAGE

Hon. T. D'Arcy Leonard, Q.C., President of The Canada Permanent Trust Company, announces the election of Mr. Laurence M. Savage, of Galt, Ontario, to the Board of Directors of the Company. Mr. Savage is President of Savage Shoes Limited, Preston, Ontario, a Director of The Toronto-Dominion Bank, The Dominion of Canada General Insurance Company, Lake Erie & Northern Railroad, the International Shoe Company of St. Louis, Missouri, and other companies.

INDUSTRIAL ACCEPTANCE CORP. had 1,342,793 common shares outstanding at May 20.

Market Comment

What stocks and bonds are doing and what prominent observers say

As long as the current market rally from May lows fails to pick up steam on the upside, the whole recovery move must be considered as merely a technical one in the bigger secondary downturn. It is difficult at this time to see any possible business development over the next few weeks electrifying enough to bring about a buoyant resumption of the interrupted bull market. By August anticipation of a rush of fall business orders could bring new life into the market.

Now that construction of the western leg of the transCanada gas pipeline is virtually assured this summer a number of industry expenditure programs both in the West and Eastern Canada can be firmed up. Pipeline people expect a new readiness on the part of potential customers — utilities and industry—to close long-term gas purchase contracts.

* * *

HAROLD W. LEFEVER: Gairdner & Co. (Toronto)

The New York industrial averages have continued their rally which set in last week. Probably the reason for the market improvement has been murmurings of a cut in the interest rate by the Federal Reserve Bank reverting back to a 2¾% rate against the current rate of 3% prevailing in most of the large U. S. centres. Certainly, a move in this direction after five increases would be considered as a constructive shot in the arm for general business and the stock market as a whole should benefit. Should the above transpire one wonders if the Bank of Canada will follow suit but opinion on the street seems to be that in Canada we can look for the present tight-money policy to remain with us for some months yet.

If such is the case I would expect the present volume of equity financing by means of rights to continue as this is the cheapest means of raising capital during a period of high interest rates.

My comment is that high yielding corporation bonds and preferreds are more attractive to the investor today than a great many of the lower yield common stocks, pending a clarification of the present money policy.

* * *

W. V. MacINNES; T. A. Richardson (Toronto)

In the last few months the Dow-Jones Averages in New York and the Canadian indices in Toronto and Montreal established new high levels never previously attained. Advancement within the economy has been sufficiently strong to justify to a large measure the prices at which individual stocks have sold. As yet there has been no speculative excesses in the New York market and in Canada, apart from the natural resources boom markets which do bring excessive speculation, the background movement of the market has been normal and healthy.

The recent decline in both markets led to considerable concern among investors and speculators alike because in some respects it did not resemble a bull market reaction. Behind the scenes and influencing the decline has been a weakening money data picture of which the public has been made well aware.

From this point both markets look well oversold and should attempt a rally. This rally should be watched closely for the amount of breadth and momentum it attains. It will need both to get into new high ground if the basic money data does not strengthen over the near term.

* * *

GREENSHIELDS & CO. (Montreal)

The recent market break was not altogether unexpected as it had been felt that a correction was overdue, especially with the appearance of weak spots in some important quarters of the U. S. economy. Cutbacks in the production of motor cars and farm implements, as well as declines in the prices of some textile products, along with copper, steel scrap and rubber were signs which could not be ignored.

Looking at the North American picture as a whole it would seem, however, that increased activity in some departments is compensating for the softer tendencies in others so that business activity has only been leveling off so far on a fairly high plateau. While the third quarter of the year may see further working off of inventories and softness, it is felt that, with the introduction of the 1957 motor-car models, and with the possibility of improving farm income, the fourth quarter may point upward.

Unexpected developments whether on the international scene or in connection with the coming presidential election in the U. S. can always drastically alter short-term prospects and bring about violent fluctuations in stock prices. However, for the long term, there appears to be a stabilizing factor which has been increasingly evident in the past few years each time a market break has developed. This is the steadily mounting flow of funds which institutional investors and especially investment trusts have got to put to work. Even more important for the economy as a whole is the improvement in the art of management at both government and business levels.

Chain reactions of business fear, which caused much havoc in the past, do not seem to be as easily started now and monetary measures have been relatively successful in recent times in preventing prolonged recessions as well as over expansion. Moreover, in private business, the increasing use of long-term planning, based on extensive research, has added another factor of stability.

It would be dangerous, of course, to jump to the conclusion that the economy has now become invulnerable, because forces which cannot yet be clearly seen could well prove to be unmanageable by present methods. It seems, however, that public confidence in the administrative skills of money and business managers is a new element which cannot be disregarded.

* * *

P. M. RICHARDS: J. R. Timmins & Co. (Toronto)

The present situation is more than ordinarily one of flux. In the U. S. the credit squeeze has eased somewhat in the last two weeks, while in Canada it is being maintained. The U. S. Administration is election-conscious and wants to keep people happy until November; Canada is trying to hold a brake on inflation. The Middle East war-or-peace uncertainty continues but could change the picture here overnight.

Thus caution is advisable, more particularly from the short-term viewpoint. But buyers for long-term growth should not overlook the increasing evidences that business is better and progress greater in Canada than across the border, and for them, any dips in stock price will be regarded primarily as creating buying opportunities.

New Highs and Lows

During the week ended June 1, nine new highs and 78 new lows were recorded among the general stocks on Canadian stock exchanges. In the mining group there were 15 new highs and 111 new lows. In western oils there were six new highs and eight new lows.

GENERAL

New Highs—1956

Cdn. Pr. & Pa. Sec.	Hinde & Dauch
Cdn. Salt	Mailman Corp.
Cdn. West Lumber	Sup. Propane Warr.
Econ. Invest.	Trans Mt. Oil
Hillcrest Coll.	

New Lows—1956

Albt. Dist.	Gen. Dynamics
Alum. of Can. 2nd Pfd.	Gen. Motors
Ang. Newfoundland	Goodyear Tires Pref.
Asbestos	Hayes Steel
Bank of N. Scotia	Interp. Bld. Cr.
Bathurst "B"	Laura Secord
Calgary Pwr. Do. 5% Pref.	Loblaw "B"
Can. Cr. & C. Stone	Loblaw Comp. A
Can. Malting Pfd.	Do. B
Can. Perman. Mort.	Lucky Lager
Can. W. Cable "B"	Massey-Harris
Con. Bakeries	McColl Fron. Pref.
Cdn. Breweries Do. Pfd.	Meichers
Cdn. Celanese Do. $1.75 Pfd.	Molson Brew "A"
Cdn. Dredge	Montreal Locom.
Cdn. Indust.	North Star Oil Do. Warr.
Cdn. Marconi	North Que. Pwr. Pfd.
Cdn. Oil Warr. 1955	Northwest U.P.
Chart. Trust	Ogilvie Flour
Chrysler Corp.	Ontario Loan
Claude Neon Pfd.	Ontario Steel
Cockshutt Farm	Pembina Pipe
Con. Life	5% Pf.
Cons. Bakeries	Price Pref.
Corbys "B"	Robinson Little
Crown Trust	Royal Bank Do. Rights
Dist.-Seagram	Somerville Pfd.
Dom. Bridge	Steel of Can. Rights
Dom. Magnes.	Sup. Propane Pfd.
Dom. Scot. Inv. Pref.	Sup. Pete. Pfd.
Dom. Textile	Tor. Dom. Bank Do. Rights
Eddy Paper	Traders Fin. 5% Pf.
Electrolux	Westeel
Fleet Mfg.	Weston G 4½% Pf.
Ford Motor Comp.	Windsor Hotel
Ford (Can.) "A"	Zellers 4½% Pref.
Foundation Co.	

MINING

New Highs—1956

Bordulac	McK. R. L.
Cons. Bellekeno	Midrim
El-Pen-Rey	N. Jack Lake
Grandoro	Norpax
Imperial	N. Rankin
Jeanette	Pac-Nickel
Kerr Addison	Trebor
Lomega	

New Lows—1956

Alta.	
Anglo Rouyn	MacDonald
Aunor	MacFie
Barnat	Marcon
Baska	Mentor Exp.
Beaver Lodge	Meta. Ur.
Bevcon	Midwest
Bouscadillac	Min. End.
Boymar	Min-Ore
Brilund	Nama Creek
Broulan Reef	Nat. Exp.
Brunston	Nesbitt L.
Burchell	N. Bid'e
Callinan	N. Dickin
Canuba	N. Lafayette
Cassiar Asb.	Newlund
Chib. Kayrand	N. Pac Coal
Cleveland	N. Santiago
Cunro	Nickel Rim
Cons. Fenimore	Nor Gold
Cons. Gold-Arrow	North Inca
Cons. Negus	Nu-Age
Cons. Nicholson	Nudulama
Cons. Pershcourt	O'Leary
Cons. Red Poplar	Opemisca
Cons. Sudbury	Ormsby
Cons. Thur	Osisiko
Cont. Potash	Parbec
Coppercrest	Pater
Deer-Horn	Paymaster
Dome	Pitch-Ore
Farwest	Placer Dev.
Fontana	Powell Rouyn
Frobisher Do. Warr.	Pronto
Genex	Que-Cop.
Geo-Scientific	Queenston C.
Giant Mascot	Radiore
Giant Yellowknife	Rainville
Glenn Ur.	Rare Earth
Goldcrest	Rayrock
Golden Manitou	Rockwin
Goldfields	St. Michaels
Graham Bousquet	San Antonio
Grandines	Skeena
Granduc	Spanish Am.
Hamil	Starrat O.
Harrison Min.	Surety
Iso Uran.	T. Hughes
Kirk Town	Un. Estella
Lake Cinch	United Keno
Lake Osu	Vico
Lamaque	Willroy
Lithium Corp.	Wiltsey C
Lorado	Windw'd
Lyndhurst	Yellorex
	Y'ke Bear

OILS

New Highs—1956

Ajax	Castle O & G
Alta. P. Cons.	Eastern Cdn.
Aldina	Fort St. John

New Lows—1956

Cons. Dragon	New World
Marigold	New Springer
New Chamberlain	Sapphire
New Richfield	Texas Calgary

CROWN ZELLERBACH CORP. on May 28 issued an additional 2,200 common shares under company's selected employees stock option plan. Now 13,787,840 common shares outstanding.

on the Q.T.

On the Quality Test, Dunlop Multiple V-Belts are unexcelled for strength and durability.

See More – Do More

At less cost overseas this summer!

All because **Magic Circle Routes** give you the maximum number of stop-overs on your ticket to Europe and you only pay the regular round-trip fare to the farthest point of your itinerary. This also means you may go one route and return another. For example, Montreal to Rome via Glasgow-London-Paris-Geneva-Nice and return via Munich-Stuttgart-Dusseldorf-Amsterdam; or via Geneva-Frankfurt-Dusseldorf.

Your choice of first class Majestic service offering fully reclining Slumberettes and use of the luxurious lower deck lounge, (berths available at added charge,) or Coronet tourist class for more economical travel.

Ticket Instalment Plan for Canadians who wish to budget their trip

Examples below are based on round-trip tourist fares from—Toronto

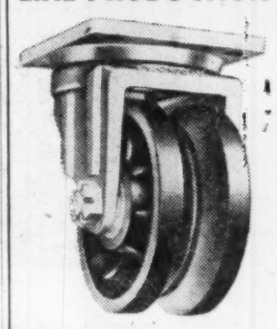
	DOWN PAYMENT	24 MONTHLY PAYMENTS
MADRID	$60.56	$24.57
including stopovers at Glasgow, London, Bordeaux, Paris		
ROME	$67.74	$27.49
including stopovers at Glasgow, London, Paris, Geneva, Nice		

fly B·O·A·C ALL OVER THE WORLD

SEE YOUR TRAVEL AGENT, RAILWAY TICKET OFFICE OR BRITISH OVERSEAS AIRWAYS CORPORATION

MONTREAL	TORONTO	WINNIPEG	VANCOUVER
Laurentien Hotel	32 King St. W.	311 Portage Ave.	779 Burrard St.
UNiversity 6-5861	EMpire 3-4938	93-7191	MAdison 8272

Bassick GIVES WINGS TO ASSEMBLY LINE PRODUCTION



In industry today speed and efficiency on the production line is a must . . . and Bassick Casters are the answer, moving all equipment—light or heavy—with ease and economy. There is a caster with the proper wheel designed and engineered to fit every need. Our Engineering Department will assist you in solving your caster problems.

BASSICK-DIVISION

STEWART-WARNER CORPORATION of Canada, Limited

BELLEVILLE ONTARIO

FOR YOUR FUTURE BUILDING!

The NEW TRAPEZOIDAL PROFILE for Roofing and Siding of ALCAN INDUSTRIAL "KINGSTRONG" ALUMINUM

Specially developed to increase Kingstrong's practical advantages still further, the new Trapezoidal Profile gives you —

- *Extra strength — safe loads are almost double!*
- *Better run-off.*
- *More pleasing architectural lines and improved general appearance.*

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LONG-LASTING — strong and rustproof all the way through — resistant to corrosive industrial fumes and salt-laden atmosphere — requires no painting or expensive maintenance — fire-resistant and spark-proof.

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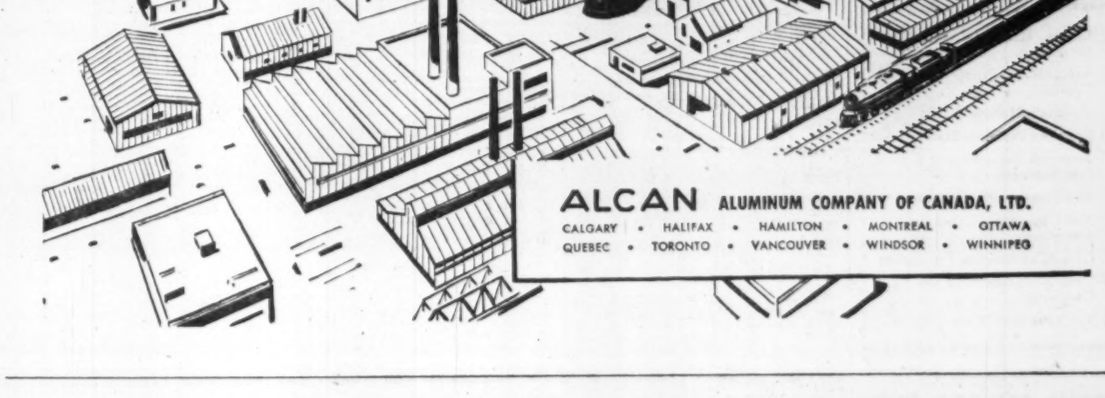

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- ☐ Canada's Changing Population
- ☐ Canada's Trade with the Caribbean
- ☐ The Last Best West H. 68

BRITISH COLUMBIA POWER CORP. has issued an additional 4,100 common shares to certain company officials under options granted them. Now 3,558,950 common shares outstanding.

Market Bid and Ask Quotations

Montreal & Toronto

Closing Quotations June 5

	Bid	Ask
Abbican	51	60
Abitibi	38¼	38½
Do pr	34½	34½
Acad-Atl	10½	11
Do A	21½	23½
Do pr	103	103½
xAcad Ur	16½	18
xAcme G	19	20
Admiral	18½	18½
Agnew-S	7½	7½
Do pr	9½	9½
xAjax	78	84
xAkaitcho	54	57
xAlba Ex	38	39
xAlta Dis	185	190
Do VT	145	155
xAP Cons	49	50
Algom	16	16¼
Do deb	96½	97
x Do wts	720	750
Algoma	102	103½
Alumin'm	126½	127
Do 1 pr	22½	22¼
Do 2 pr	49½	50
xAm-Lard	16	16½
xAmanda	88	89
xAm Led	114	115
xA Nephe	210	214
xAmurex	370	800
xAnacon	280	285
xAnchor	15½	16
Ang-A Ex	13½	14
AC Pulp p	53	..
Ang-C Tel	45	45½
Ang Hur	13	13¼
xA Rouyn	116	120
Anthes Im	25½	25½
xApex Res	13	13½
xArcadia	205	207
xArcan	42	43
xArea	46	47
Argus	22	22½
Do pr 240	55½	55½
Do pr 250	46	46½
xArjon	30	31
xAscot	31½	35
Ashd..n A	13¼	15½
Do B	13½	13¾
xAsh Tem	350	..
Do A	98	..
Do B	9½	10½
Atlan Acc	5½	7
Do pr	16	19
Atlas St	26½	26½
xAtlas Yk	22	23½
xAtlin-Ruf	15	15½
xAubelle	16	17
xAumacho	40	43
xAumaque	22½	23
xAunor	215	220
Auto Elec	12	12
Do A	9½	10
xAut Fab A	5½	5½
Do B	75	80
xAvillabon	11½	12
xBagamac	12	12½
xBail Sel A	13½	13½
Do pr	31	31½
xBanff	267	270
xBankeno	33	34
xBankfield	10	11
Bk Mont	49½	50
Bk NS	54½	55½
Do rts	320	330
B'que Can	..	41¾
Barb-Ellis	45	..
Do pr	19½	..
xBarnat	86	88
xBarvue	110	112
Do wts	5	6
xBarymin	245	249
xBase M	93	94
xBata	15	15½
Ba Innes	..	9½
Bath Pw A	62½	63
Do B	38	39½
xB-Duq	218	220
Beatty	6¼	7
xB'cage	221	233
xBeav Lge	35	40
Beav Lum	18½	20
Do A	21	22
Do pr	32¾	..
xBelcher	230	231
Bell Phone	46¾	46½
Do rts	106	109
xBidcop	90	93
xBellet're	212	230
xBeta Gam	13	14
xBevcon	44	45
xBibis	11½	13
xBicroft	250	255
Do wts	127	140
Biltmore	5½	6½
Do pr	13½	14½
xBlack B'y	78	84
Blue Rib	9	12
Do pr	25	32
xBonville	11	12
xBordulac	23½	24
xBouscad	24	27
xBouzan	274	275
Bowes	18	..
Boymar	11	12
xBralorne	530	535
xBralsa'n	110	115
Br Cord A	19	19
Do B	9½	12½
Brazil	6¼	7
Do pr	90	94
Br T'k pr	47	49
x Do wts	300	..
Bright	11¼	15½
Do pr	19	21½
xBrilund	147	148
xBritalta	290	300
BA Oil	40¾	40¾
BCE 4% pr	91	92
Do 4½% p	46½	47
Do 4½% p	48½	48½
Do 5% pr	50½	52
BC Forest	16	16½
BC Pack A	15	15½
Do B	12½	12¾
BC Pow	40	40½
BC Phone	47½	47½
xBroul Rf	148	150
Bruck A	8½	8½
x Do B	350	400
xBrunh'st	10	10½
xBrunsm'n	12	13
xBrunston	20	21
Brunswick	10½	10¾
xBuffadis	11	11½
xBuff Ank	73	75
xBuff Cdn	17	18
xBuff RL	9	10
Build Pro	..	34½
xBulldog	12	13
Bulloch's A	7½	..
Do B	5½	5½
xBunk Hi	16	17
xBurchell	48	50
Burlington	28½	29
Burns	12	13
Burrard A	8½	8½
xCalalta P	145	150
C'dwell 1 p	21½	24½
Do 2 pr	12	12½
Cal Ed	25¾	25¾
Cal Pow	56½	57
Do 5% p	102¾	..
xCallinan	21½	22½
xCalnorth	40	41
xCalvan C	505	530
Camp Ch	19½	19½
xCa'p RL	560	580
xC Bread	310	325
Do B	..	56
Can Cem	31¼	31½
Do pr	28½	28¾
CCC Stone	8¼	9
Can Foils	13¼	14
Do A	16	16½
C Fndry A	26½	..
Do B	16	18½
CI Fndry	35	35½
Do pr	102½	103½
Can Life	160	165
C Mach	10	12
Can Malt	57	57½
Do pr	..	23¼
xC Oil L	345	370
Do wts	195	215
C Pack A	38¼	39
Do B	34½	35¼
Can Perm	87¼	88
C Safe	..	..
4% pr	98	99½
xCS Oil w	78	85
xCS Pete	345	350
CSL	30½	31
Do pr	12¼	12¾
C Wire A	192	200
Do B n	18	18½
xC Ad Oil	68	70
xC Astoria	37	37½
xC At Oil	725	730
Cdn Baks	..	6
C Bk Com	50½	51
Cdn Brew	29½	30
Do pr	30¾	30½
xC Br Em	65	67
Cdn Can	47¼	47¼
Cdn Celan	16	17¼
Do $1 pr	..	20
Do 1.75 p	30½	31
C Ch Cell	9	9¼
C Coll'ries	9¼	9¾
Do pr	91	92
C C'vert's	350	400
Do B	400	..
xC Dec w	62	67
xC Del P	690	695
C Dredge	20¾	21½
C Export	625	660
C Fairbks	26	28
Do pr	125	..
xCF Prod	325	330
Do A	21	8½
Do pr	60	65
CGE	760	1025
CG Sec A	23½	26
Do B	24	29
xC H'st'd	215	220
C Hyd Car	10½	11¼
C Ice Mach	5¼	..
Do A	11	12¾
Cdn Loco	31	32
xC Malart	45	50
Cdn Oil	20	23¼
Do pr	100	101
Do 5%	104	105
Do 4%	..	94
Do wts	7½	8¼
x Do w '55	325	450
CPR	31¼	31¾
C Petro pr	28	28¾
xC PL P	320	325
xC Pros	450	470
Cdn Salt	21¼	..
Cdn Tire	120	120
C Tire pr	20¾	..
C Util pr	..	100
Do 4½%	..	91½
C Vickers	33¾	34
C Wall A	12	15
Do B	11½	12½
CWN Gas p	17½	17½
xC Willis	305	325
xCanadus	160	165
xCanam	..	150
xC-Erin	124	125
xCan-Met	229	230
xCanso N	136	150
xCanso O	215	223
xCariboo	90	90
xCassiar	825	840
xCastle	410	429
C Can Inv	27½	..
Do pr	100½	..
xCent Ex	490	500
xCent Led	440	445
xCent Pat	136	140
xCent Pore	15	16
xCentre'q	16	17
xChart O	192	196
Chart Tr	55	60
Do rts	275	350
xChatco	6¼	6½
Do pr	6	6½
Chat-Gai	16	16½
xCh Res	455	460
xCheskirk	11¼	12
xChest'ville	42	43
xChib-Kay	55	56
xChib-Ex	116	123
Chibou M	380	400
xChimo	121	123
xChrom	300	325
Chrysler	59½	60¼
xCircle B	150	300
Do A	475	900
xCobalt	75	80
xCoch Will	78	82
Coch-D	19	19½
Do A	20	21
Cockshutt	61	64
xCody-Rec	78	95
Cogh C Ltd	16½	17¼
xCoin Lak	13	14
xC'stream	132	134
Collwood	11¼	..
Do pr	13	..
xColomac	14	14½
Comb Ent	10¾	11¼
xCommoil	350	400
xCom Pet	450	490
Conduits	10¾	11
Con Life	140	150
xConiagas	230	235
xConi'rum	46½	58
xConro	28	29
xC Allen	17	18½
Con Baks	7¼	7¾
xC Bellek	49	50
xC C Cad	20	21
xC Cordas	27	30
C Denison	990	995
x Do wts	380	390
xC Discov	345	350
xC Dragon	38	39
xC E Crest	67	75
xC Fenim	130	135
Do B wts	25	..
Con Fire	7	..
xC Gillies	13½	14
xCG Arr'w	30	33
xC Guay'a	34	39
xC H'well	166	170
xC How'y	415	430
xC Marben	49	60
xC Mic M	350	355
Con M & S	32¾	32½
xC Mor'son	60	64
xC Mosher	75	80
xC Negus	29	30
xC Nichol	22½	23
xC N'land	118	125
xCon Peak	15	16
xC Persh	25½	26
xC Pr'ss A	240	250
Do B	100	175
xCons Que	60	65
xC Red P	38	40
xC Regc'rt	93	94
xC Sann'm	15	15½
xCon Sud	395	400
Con Text	450	500
xCon Thor	40	42
xC Tungs	75	80
C West P	10¼	11¼
Con Gas	200	217
Cons Glass	30½	..
xConwest	635	650
xCop Cl'k	425	430
xCop Clif	355	360
xCop C'rp	210	215
xCop'crest	39	40
xCop-Man	25	26
Corby VT	16¼	16½
Do B	15½	16
Cosmos	12½	12½
xCoulee	151	153
xCournor	20	21
xCowich'n	204	205
Craig Bit	6¼	7
xCrestaur	11	11½
xCroinor	22	24
Crn Trust	22½	24
Crn Zell	63½	65
xCrowpat	36	38
Crow's N	190	195
xCusco	18	19½
xD'Aragon	77	80
Davis A	16½	11¼
x Do B	375	..
xDe Cour	63	67
Do wts	27	28
xDeer H	51	53
xD'Eldona	20	21
xDelnite	77	79
xDel Rio	356	360
xDesmont	59	60
xDetta	14	15
xDev-Led	165	169
Dist Seag	35¼	36½
xDome E	825	850
Donge	13½	14
Dom Ang	395	..
Do pr	95	..
xD Asbes	16½	18
D Coal pr	8¼	8½
D Dairies	7¼	..
Do pr	16	20
xDiadem	61	62
D Corset	13	13½
Dom Elect	9¼	11¼
Dom Fab	10	..
Do 2 pr	22¾	24
D Fndry	28½	29
Do pr	101¼	101½
Dom Ins	200	..
D Magnes	12½	14
Dom Scot	27¼	28
Do pr	48	54
D Steel o	20¾	21
D Stores	37	37½
Dom Tar	15¾	15¾
Do pr	21½	22¼
Dom Text	7¼	7½
Do pr	..	142
xD Wool	100	150
xDonalda	48	49
D Ropes B	13¾	14
xD & M n	125	150
D'hue Bros	34½	35
Dow Brew	35	35¼
Dunlop	130	133
xDuvex	32	33
xDyno	111	115
xE Amphi	9¼	10
E Koot	350	425
xE Malart	187	190
E Sull	590	595
xEast Asb	105	110
xE Metals	71	73
xE Min	630	640
East Steel	6¼	6½
East Theat	26	..
Easy Wash	16½	..
Do pr	..	19½
Econ Inv	37	37¾
Eddy	56½	57
xElder	53	54
xEldrich	115	119
El'tra (C)	96	..
Electrolux	12¾	..
xEl Pen-R	28	29
xEl Sol	14	15
xE Glacier	20	21
Emp Life	83	85
En & Heat	9	..
Equit Life	51	53¾
Erie A	6¼	..
x Do B	265	..
Estabks pr	20	22
xEureka	171	175
xExcelsior	76	85
Fal'bridge	33¾	34¼
Fam Play	17½	18
Fanny F	22¾	24
xFaraday	148	149
xFargo	290	298
xF'west T	28	29
Fed Fire	53	..
Fed Grain	29¾	30¼
Do pr	28¼	29½
xFed Kirk	35¾	39
xFibre	450	600
Do pr	..	54
Fittings	7¼	..
Do A	10¼	10¾
xFleet M	115	120
Ford	50¼	52½
Ford A	118	120½
Do B	..	134
Foundat'n	24	24½
xFranc'ur	12½	13
Fraser	35¾	36
Freiman p	92	95
xFrobish	415	420
Do debs	85	87
x Do wts	2	2¼
xGaitwin	52	54
Gatineau	28¼	28¾
Do 5% p	106½	108
Do 5½%p	110½	116
Geco M	18¼	18¾
Gen Bake	5½	6
G Dynam	58½	59½
GMC	41½	42½
xG Pete	510	590
Do A	515	540
GP Mfg A	36	36½
Do B	43	..
GS Wares	8¼	9
Do pr	94	95
xGenex M	35	38
xG Scien	240	245
xG'nt YK	495	500
xGlenn Ur	87	88
xGoldale	32	34
xGoldcrest	24	25
xG Eagle	10	11
xGold M	315	320
xGF Uran	32	34¼
Goodyear	..	149
Do pr	49¼	50
G Mack A	7	7¼
Do B	8	8½
Goulds P	..	16
Grafton A	16½	16½
xGr Bousq	27	27½
Granby	13¼	14
Gr Toy	35¼	36
xGrandine	38	39
xGrandoro	43	57
xGranduc	590	600
GL Paper	50½	51¼
GN Gas	6¼	6¾
Do pr	44½	45¼
x Do wts	295	325
Gr Pl Dev	39	39½
xGr Sw G	350	356
GW Coal A	10¾	10¾
Do B	9	10½
Gr West	..	20
xGreening	5	5
xGreyh'k	51	53
xGridoil	955	1000
Guar Tr	21	21½
xGulch	50	54
xG Lead	16	17
Gulf Oil	116	116¼
Gunnar	17¼	17¾
Do wts	910	925
xGurney	..	300
Do pr	23	24
xGwillim	14	14½
Gypsum n	34½	35
Hahn	21	22
Do A	16¾	..
xHallnor	325	335
H Cotton	14½	15
Do pr	98	100
Hard Carp	8½	8¾
xHd Rock	13½	14
xH-Min'ls	75	78
Hartz A	10	10¼
xHasaga	17	22
xH of L	13½	15¾
xHeadw'y	145	148
xHeath	31	31¼
xHees	350	400
Hendshot	28¼	30
Do pr	89	100
xHeva	11¼	12
xH Crest	42	43
xHigh-Bell	78	82
xH'wood	41	42
H Dauch	48¼	49¼
Hi-Tower	..	80
Holden A	..	350
x Do B	..	150
Hollinger	26½	26¾
Home O A	12¾	12¾
Do B	12	12½
H Smith	46¾	47¼
Do pr	99	100
xHoyle	13¾	14
Hud Bay	79¾	79¾
xH-Pam	38	39
Hugh O A	15	16
Do B	11¾	..
Do pr	..	26½
Hur Erie	35	37½
Husky	925	990
x Do wts	425	445
Imp Bk	55¼	55¾
Im Flo-Gl	25	28¼
Do	..	30
Imp Life	66	68
Imp Oil	49¾	49¾
Imp Tob	11¼	11¾
Do pr	6¼	6½
xInd Lake	22	23
Ind Accep	51¼	52¾
Do $4.50p	96	97
Do $2.25p	48¼	49
Ingersoll A	8	8½
Inglis	14¼	14¾
Inland C p	15	15¼
xInspira'n	124	130
Int Bronze	10¼	11¼
Do pr	22	22½
I Met A	41¼	41¾
Do pr	101¼	102½
Int Mill pr	91¼	..
Int Nick	92¼	92¾
Do pr	128	129½
Do $5 pr	6¼	6¾
Int Pete	34	34¾
Int Power	241	243
xIn Ran'k	105	109
Inter Util	45¼	46
Intprov BC	12¾	13
Intprov PL	38¼	38¾
xIrish C	290	295
xIron Bay	335	340
xIsotope	150	160
xJk Waite	21½	22
xJacobus	30¼	31¼
Jam Pub	27	29
Jam P S	105	..
xJaye Ex	92	94
xJeanette	43	44
xJellicoe	21	23
xJoburke	14	15
Johns-Man	49¾	50
xJoliet	123	124
xJonsmith	39	40
Journ Ott	16	18¼
xJupiter	230	235
xJowsey	89	90
Kelvinator	13¼	13¾
xKenville	8¼	9
Kerr Add	20¼	20½
xKerr L	69	80
xKeyboy	11	12
xKeymet	65	70
xKilembe	390	390
Do wts	197	200
xKirk Hud	75	78
xKirk M	161	168
xKirk Tn	25¼	28¼
xKroy O	243	244
Labatt	22¼	22½
Labrador	21¼	21½
xL Cinch	105	110
xL Duf'lt	275	285
xL Ling	13¼	15
xL Nordic	275	279
xL Osu	22	24
xL Shore	435	465
xL Wasa	21	24
L Woods p	..	150
xLa Luz	4410	440
xLamaq	290	295
Lang	25	..
Laura Sec	18½	19½
Laurent A	10	11
x Do wts	..	100
L and J A	20½	21
Do B	21¼	..
xLeitch	77	78
xLencourt	18	20
Lewis Bros	9	9¾
xLexindin	22	24
xLib Pete	295	300
xLL Lac	151	154
Loblaw A	48¼	50
Do B	72	77
Do n A	17¾	18¼
Do n B	16	18¾
Do pr	42¼	43
Loews	120	..
xLomega	22	22¼
xLon Hos	250	300
Do A	7¾	7¾
xLI Pete	18¼	19
xLorado	117	119
xLouvic'rt	24	25
Lw St Law	..	23
Lowney	20	25
xLyndh'st	150	153
xLynx	10¼	11
xMacassa	200	210
xMacdon'd	88	90
xMacfie	16¼	17¼
M'Kin Str	43	45
Do pr	100	..
xMacLeod	126	130
MacMill A	42	..
Do B	43¾	43¾
xMadsen	251	255
xMages	135	140
xMagnet	12¼	13
Mailman p	..	98
Do cum p	..	26
xMalartic	151	155
xM'east U	25	27
M Leaf G	19	21
M Leaf M	8¾	8¾
Do pr	99	99¼
xMaraigo	38	24
xMarcon	21¼	23
xMareus	10¼	11
xMarigold	26	27
xMaritim	298	300
Do A w	100	109
Do B w	140	150
xMartin	21	21¼
Mass-Har	7¾	8
Do pr	94½	95
xMatatch	55	70
Maxwell	7	7¼
xMaybr'n	122	123
McBrine p	10¼	11¼
McCabe A	20	20
Do B	18	20
McColl	50	51
Do pr	..	99
McIntyre	82¾	83¾
xMcKenzie	35	38
xMcMarm	15	16
xMcWatter	55	57
xMentor n	60	70
xMere Chip	7	10
xMerrill	310	315
Merrill P	18¼	18¼
xMeta Ur	26	27
Mex LP	15¾	17
Do pr	12¼	12¾
Mex Tram	9	15
xMidcon	105	107
Mid Pac	19	22
xMidrim	171	172
xM-West	400	410
Do wts	200	235
xMill City	37	..
xMilliken	194	195
xM Brick	400	430
xMindam'r	21	21¼
M'n'deavor	82	83
Min'g Cor	24¼	24¾
xMin-Ore	35	36
Mitch & Co	35	..
Mod Cont	14	15
Do A	17	17¾
xMogul	300	305
Molson A	23¾	24¾
Do B	22¼	25
xM Knit	400	500
Do pr	44¼	55
Mon Mort	44	..
xMoneta	73	75
Mont Loco	16¾	17
Moore	44	44¾
M'gan & C	..	22¼
Do 4½ pf	99	101¼
Mor Brass	9	9
xMulti-M	125	129
xNama C	122	124
Nat Drug	11	11¾
Do pr	12¼	12¾
xNat Ex	59	60
Nat Groc	..	22
Do pr	..	27¼
N Hos A	400	..
x Do B	5	5¼
Nat Lead	99¼	99¾
xNat Pete	435	445
N St Car	29¼	30
Nat Trust	41	42
xNello	28	32
xNes Lab	150	153
xN Alger	26	27
xN Athona	56	60
xNew Bid	18	20
xN Brist	150	151
xN B Dom	270	274
xNew Cal	78	79
N Chamb	154	155
xN Conc'd	40	49
xN Cont	79	80
xN Davies	22	26
xN Delhi	101	104
xN Dick	181	185
xN Fortun	44	45
xN Gas E	159	160
xN Goldvu	24	25
xN H'cana	28½	30
xN H'ridge	69	71
xN Hosco	29½	30
xN Jac'let	157	158
xN Jason	27	29
xN Kelore	15	18
xNewlund	65	68
xN Mani	107	110
xN Minda	77	78
xN Mylam	16	17
xNewnorth	11½	13
xN Rouyn	21½	22
xN Royr'n	365	370
xN Senat	11½	12
xN Sup	245	250
xN Taku	27	30
xN Thurb	17	18
xNick R	375	380
xNipiss'g	395	400
xNisto	23	24
xN-Acme	122	123
Noranda n	56½	57
xNordon	28	35
xNorgold	22	23
xNorlartic	13	16
xNormet	665	670
xNorpax	142	143
xNC Oils	510	525
Do wts	250	280
Do pr	38	38½
xNor Inca	9¼	11
xN Rank	146	147
North Star	14¼	14¾
Do wts	6	6½
xNth Trin	11	11½
xNth Can	136	140
NQ Pow	..	34¾
Do 1 pr	50	..
NW Util p	87½	..
xN'thland	80	82
xNorvalle	66	69
xNudulam	45	46
Oak Wood	6	8
xObaska	11	13
xO'Brien	92	94
Office Sp	15	17½
xOgama	27	29
xOil Sel	18½	19
xOka Rare	85	90
xOkalta	285	290
xO'Leary	26	27
xOmnitrans	6	6¼
xOB Sup	20	..
Do pr	7	8
xO Jock	290	300
Do pr	12	12½
Do B pr	11¼	11½
x Do wts	92	94
Ont Loan	27½	27½
Ont Steel	24	25¼
Do pr	133½	..
xOpemiska	14½	15
xOrange C	385	400
xOrenada	26	27
xOrmsby	70	75
xOsisko	41	44
xP Coyle	140	150
xPac East	12½	13
Pac Pete	15¼	16
Page-Hers	87½	88½
xPamour	53½	57
xPanel	120	122
xPan West	37	38
xParamaq	11	11¼
xParbec	11	12
xPardee	34	36
xParker Dr	51	52
xPater	92	94
xPathfind	139	141
xPaymast	32	33
xPeace Riv	10	10.15
Pembina	38½	38½
Do pr	49¼	50
Penmans n	25	25
Do pr	..	125
PC Jewel	22¼	22½
Do pr	98¼	101
xPerron	25	27
xPerux O	212	220
xPetrol	151	154
Photo Eng	43	48
xPick Cr	148	155
xPioneer	186	195
xPitch-Ore	12¼	13
Placer n	12¾	12¾
xPlonder	70	75
xPoplar O	25	28
Powell R	54	55
xP Rouyn	50	53
Pow Corp	58¼	59
xPrairie O	520	525
xPr Bord	19½	20
Prem Tr	82	86
xPr Elect	160	170
PRM Inc	33¾	34
xPreston	630	640
Price Bros	96	96½
xPronto	585	595
Do wts	290	295
Prov Trans	12¾	..
xPros Air	180	190
xProvo G	225	229
xPrudm M	28	29
xQue Ch	195	199
xQue Cop	210	215
xQue Lab	16	17
Que Lith	11	11¾
xQue M	120	125
xQ Metal	375	380
Que Power	27	28¼
xQueenst'n	21	25
Quemont	25¾	26¼
xQuinte	6	..
Do A	11	11¼
Do rts	75	..
xRadiore	123	124
xRainville	148	150
Rapid-Grip	8	9¼
xR Earth	330	335
xRayrock	170	180
xReef Ex	12	13¼
xReeves	210	217
Regent	10	10¾
xRenabie	241	245
xRexspar	35	37
R'holds A p	..	99
xR Palm	197	198
xR Rupun	22	23
R Silk

300,000 Acres For Potash Development

From Our Own Correspondent

REGINA — A withdrawal permit for large potential potash acreage has been granted by the Saskatchewan Government to R. Campbell and Associates, Vancouver.

Under withdrawal is about 300,000 acres in the Melville area in east-central Saskatchewan extending northwest to the Ituna and Kelliher areas.

Mr. Campbell said the potash development was a personal venture on the part of himself and associates.

He plans to start active drilling this summer. The exploratory part of the program will involve sinking six test holes to determine the best location for a large shaft. In this drilling a chemical solution will be used to obtain the potash cores, a method claimed to have been successfully used by German industrialists.

If the exploratory phase proves successful, Mr. Campbell expects to start sinking the mining shaft in the spring of 1957. Entire financing for the whole project, he added, is expected to be completed by the end of this year.

Mr. Campbell's entry into the field brings to 12 the number of companies active in developing potash in the province. Two are at the shaft-sinking stage, one at Unity and the other east of Saskatoon.

Bid and Ask Quotations

(Continued from page 40)

Wabasso	16¼	..	White L pr	43	44
Waite Am	14	14½	White Pass	11¾	12¼
Walk GW	69¾	69¾	xWillroy	250	260
Wat Equip	14¼	15	xWilrich	47	48
xWeedon	65	68	xWiltsey	11¼	13
Wellington	78	..	xWchester	10	10¼
xW Mas p	..	14	xWindw'd	28	30
xWespac	22¼	24	Wpg Cent	14	14¼
xW Malar	19	21	xW'd Al	355	450
xW M'gill	155	159	GH W'd p	95	..
Westeel	19	19	xWool C'b	275	295
xW Ashley	13	14½	xWr Harg	181	184
W C Brew	30	31¼	xYale L'd	40	42
xW Decal	165	169	xYan Can	16	18
Do wts	35	40	xYellorex	14	15
W Groc A	38¼	40	xYk Bear	210	212
Do pr	30	30	xY Knit A	150	225
xW Lease	515	550	Do B	53	70
xW Naco	101	105	xYukeno	10¼	11
Do wts	24	25	Zellers 4½%	..	49
Weston A	22	22¾	xZenmac	45	46
Do B	23	23¾	xZulapa	41	50
Do pr	96¼	97			

xQuoted in cents.

Toronto Curb

Andian	5¼	6½	D O Cloth	34½	36¼
A C Pulp	46	47	Dupont	24½	25
Ang-Nfld	11¼	11¾	Do pr	..	93
Asbestos	39½	40	Gaspe Cop	50	52
B Am Bk	30¾	31¼	Hayes	30¼	31¼
Brown	21¼	21½	Int Pap	127½	128½
xBulolo	540	560	Int Util	45¾	46¼
CD Sug	23	24	IP Util	12	12
Can Vtng	18½	19	Langley pr	35	39
C Bronze	30	32	Lob Inc	73	75
Do pr	102	..	MacLaren	72	92
C Cottons	..	13¼	MO Paper	35¼	36
Do pr	8	11	Nlag Wire	47¼	49
CG Inv	30	30	Ogilvie	39¼	39½
C Indust	20¾	21¼	Do pr	150	160
CIL pr	..	92	xPato	565	575
C Ingersoll	92	..	xPend O	405	440
C Marconi	460	500	Price Br	68	68¼
CW Lumb	23	24	Ridgeway	47¼	47½
C Westing	47	47¼	Sangamo	11	12¼
xCoast Cop	12	12½	xSW Pete	41	55
C Paper	40¼	40¾	Third CG I	51	51
xDalhousie	20¼	22	Twin City	13¾	..
Deltav	145	198	Univ Prod	62¼	62¾
D Bridge	20	20¾	xYukon C	62	64
D Glass	40¼	42	Zeller's	24¼	24¼
Do pr	..	16¾			

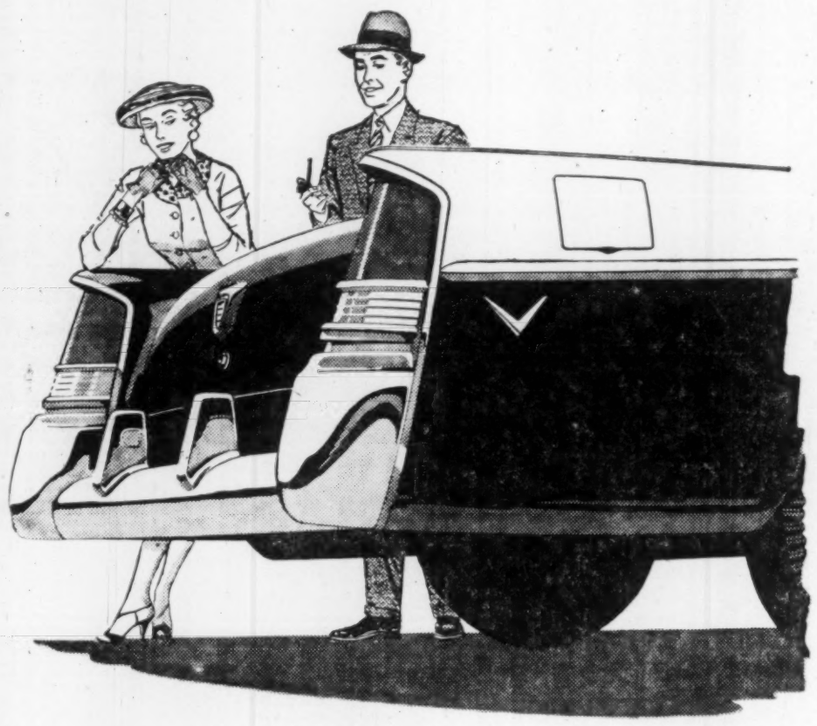
Canadian Stock Exchange

Beaubran	30	31¼	Do VT A	7	..
Belding C't	7¾	9	Utd Dist	11¼	..
Do pr	11¼	13	Waterman	10¾	11
Belg'm St	..	52	Wilson J C	7¼	11
Do pr	..	11¼	Windsor H	..	39¼
But'fly Ho	..	315	Wood Mfg	47	..
C Floor B	17¾	..	**MINES**		
Cdn Arena	90	..	Alta	9¼	10
C Pw & P	6¼	7	Ameran'm	13	15
C Silk A	425	500	Arno	13	13½
Catelli A	25	28	Band-Ore	8	10¼
Do B	36	..	Barvallee	9	14
Cinzano A	45	..	Beatrice	10¼	11¼
C Neon A	390	..	Bellech'sse	62	65
Do B	380	425	Belle-Ch	31	32
Do pr	95	..	Boreal R	..	20
C Div A	155	225	Bouzan	272	280
Do pr	35¼	..	Burnt H	200	225
Crain RL	20	21	Calumet U	12¼	13¼
Dav & F A	49¾	..	Cdn Lith	104	105
Dom Eng'g	23¼	25	Carnegie	22¼	24
E Koot pr	60	69¾	Cartier-Mal	7¼	8
For Pow S	40	..	Celta	9	10
Freiman	..	..	Cen Man	..	15
4½% pr	92	..	Cortez Ex	11¼	12
Horner A	10	..	Duvan	115	120
Hot La Sal	21	..	Fab Mets	31	..
Hubb'd F	130	200	Fontana	14	14¼
Do A	..	22	Gui-Por U	13	14
Hydro Elec	9¼	..	Hudson-R	18	19
I Patds A	81	..	Ho Uran	22	26¼
Do pr	..	23	Jardun	26	27
Inv Found	42¼	..	Kontiki L	16	20
Do pr	59	60½	Lingside C	17	..
Lambert A	14¼	..	Mogador	85	94
Do B	15½	19¼	Molybden	125	126
Latonia In	18¼	20	Monpas	7	9
Lochab'r A	10	..	N Formaq	..	50
Do B	50	..	N Lafay'te	52	59
Lond Can	7¼	..	N Pacific	158	160
M'claren P	90¼	92	N S'Tiago	9¼	10
Melch'rs D	..	5	N Vinray	13	14
Do pr	11¼	12¼	Nocana	11	12
Mersey P	215	..	Obalski	32	33
Mica Co	175	200	Orchan Ur	17	..
Mtl Refrig	37	..	Panel Cons	..	125
Mt Roy R	112	..	Pitt	22	23
Nfld L&P	..	43	Por Prime	17	17¼
Paton Mfg	10¼	..	Que Smelt	70	71
Do pr 7%	22½	..	Red Crest	29	29½
Paul Ser St	5¼	5¾	Soma-Duv	10½	12
Pow Crp 1	..	49	Tache L	50	51
Do 2	..	70	Tazin	17	18
Que-Tel	18½	19	Tiblemont	49	49½
R&M Bear	..	20½	Trebor	60	62
Reitman's	17	17½	Uddlen	..	16
R Chains	18	20½	Valor Lith	30¼	31
Sangamo	..	124	Virgin M	245	250
S Can pr	140	142	Wendell	8½	9
Stand Clay	..	10	Westville	34	35
Stowell A	14¾	15	**OILS**		
Do B	48	..	Bonn'ille	50	..
Do J'ce	146	..	Calaita	150	155
Tooke Bro	75	110	Empire Oil	..	34
Do pr	150	200	Gaspe	14	15
Utd Am A	9	10	Phillips	193	195
Do B	9	..	Quebec	..	9

xQuoted in cents.

THE BIG, EXCITING Chrysler

STYLED TO STEAL YOUR HEART



POWERED TO MAKE IT QUICKEN

The exciting Chrysler is so luxuriously lovely and easy to drive you might well believe it too costly for you.

Actually, a Chrysler Windsor is much less expensive than you may think. Every day, as more and more people discover this fact, they start driving Chryslers.

Right now, because of its widespread success, you'll find it easier than ever to own a new Chrysler (frankly, it may never be this easy again). Why not discover for yourself how pleasantly simple it is to drive a new Chrysler home? Your Chrysler dealer can give you the facts now.

Chrysler Corporation of Canada, Limited

Company Reports

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

Oil and Gas

UNION GAS CO. OF CANADA, Chatham, Ont., consolidated net profit for the year ended March 31, 1956, was 4.1% ahead of previous year ($2,023,275 vs $1,942,710).

Union's agreement of January, 1955 with Trans-Canada Pipe Lines Ltd., provides for delivery of up to 15.5 billion cu. ft. by Trans Canada for 20 years. Union is negotiating to increase substantially beyond 15.5 billion cu. ft. annual deliveries under agreement, although gas will not be available until much later than originally contemplated, says President David P. Rogers.

Union's agreement of April, 1954 with Panhandle Co. will be canceled after deliveries begin from Trans-Canada. However, neither of these agreements will affect in any way agreement of November, 1944, whereby Union is importing 5.5 billion cu. ft. of gas yearly from the U. S.

When Union gets definite assurance that annual volumes contracted for under Panhandle agreement and Trans-Canada agreement will be delivered, Union and its wholly-owned subsidiary, Ontario Natural Gas Storage and Pipelines Ltd. will begin construction of all necessary plant facilities to transmit, store and market gas to be received. Estimated cost of these facilities varies between $13.3 millions and $14,750,000.

Gross revenues from gas sales were 13% higher, sales volume rose 17.4% to 13.5 billion cu. ft. and number of customers served increased by 4,400 to 93,600.

Residential gas sales increased 12.9% to 910,000 Mcf, an additional 4,000 residential meters were added to line, bringing total to nearly 84,200. Company estimates 5,000 additional gas-fired central house heating units were added, and that 45% of residential customers were using gas for entire heating needs at year-end.

A revised schedule of rates for industrial gas became effective in July with result that sales rose 41% to 642,576 Mcf, but gross revenue from these sales rose only 18.3% because of rate adjustment.

Operating and maintenance costs rose by 1,368,258, or 18.2% to $8,878,455. Increase was as follows: an $865,805 increase in cost of all gas purchased and produced (exclusive of development costs) including value of net volume of gas withdrawn from storage; a $133,004 increase in natural gas development; a $207,828 increase in gas storage, transmission and distribution, a $143,754 increase in promotional, office, clerical, general and administrative costs; and a $17,867 increase in employees' pensions costs.

Expenditures on property account amounted to $1,870,857.

CONS. INCOME ACCOUNT

Years Ended Mar. 31:	1956	1955
Net earnings	$5,184,054	$4,915,258
Less: Dev. costs	426,557	293,553
Deprec.	782,339	747,390
Bond interest*	381,883	386,695
Income tax res.	1,570,000	1,545,000
Net profit	2,023,275	1,942,710
Less: Divds.	988,679	988,679
Surplus for year	1,034,596	954,031
*Incl. bond disc. w/o.		
Times Bond Charges Earned:		
Before depr.	12.46	11.95
After depr.	10.41	10.02
▪After deducting dev. costs.		
Earnings per Share and Dividend Record:		
Com.: Earned	$2.86	$2.75
Paid	1.40	1.40

CONDENSED CONS. BALANCE SHEET

As at Mar. 31:	1956	1955
Cash	$1,783,667	$2,005,538
Accts. rec., less res.	2,390,396	2,151,943
Inventories	1,142,344	1,270,267
Total curr. assets	5,316,407	5,427,807
Invest. in United Fuel	2,048,661	2,048,366
Def. & other assets	2,387,224	2,389,299
Fixed assets	31,823,962	30,244,624
Total assets	41,576,154	40,110,092
Accts., etc., pay.	1,051,362	934,174
Divd. pay.	247,170	247,170
Bond payment	400,000	400,000
Taxes pay.	1,069,757	992,824
Total curr. liab.	2,768,289	2,574,168
Constr. contribs.	198,504	83,190
Funded debt	6,800,000	7,200,000
Deprec. res.	10,248,034	9,677,890
Def. inc. tax	198,331	146,444
Capital stock	11,163,775	11,163,775
Surplus	10,299,221	9,264,625
Working capital	2,548,018	2,853,635

Merchandising

LOUNSBURY CO., Newcastle, N.B., net profit for 1955 was $564,596, 23.9% higher than net profit of $455,708 for 1954.

CONDENSED INCOME ACCOUNT

Years Ended Dec. 31:	1955	1954
Sales	$11,052,079	$9,814,182
Net earnings	1,180,792	1,093,303
Less: Deprec. & res.	127,244	212,798
Income tax	488,952	424,797
Net profit	564,596	455,708
Less: Divds.	101,409	101,409
Surplus	463,187	354,299
Earnings per Share and Dividend Record:		
Cl. A: Earned*	$5.30	$4.28
Earned▪	0.70	0.70
Paid	0.50+0.20	0.50+0.20
Cl. B: Earned▪	12.77	9.93
Paid	0.50+0.20	0.50+0.20
*Before (after) participation.		

CONDENSED BALANCE SHEET

As at Dec. 31:	1955	1954
Cash	$146,903	$69,451
Accts. rec.	3,951,753	3,348,656
Inventories	1,188,492	1,280,732
Total curr. assets	5,287,148	4,698,829
Investments	24,050	24,510
Def. chgs.	16,474	24,025
Fixed assets	734,528	702,798
Total assets	6,062,160	5,450,162
Bank loan	600,000	750,000
Accts., tax., etc., pay.	1,020,616	781,237
Divds. pay.	28,974	28,974
Total curr. liabs.	1,649,590	1,560,211
Capital stock	468,280	468,280
Capital surplus	700,000	700,000
Earned surplus	3,244,290	2,721,671
Working capital	3,637,558	3,138,618

Public Utilities

MEXICAN LIGHT & POWER CO. Toronto, consolidated net profit for 1955 was 80.8% higher than for 1954 ($4,212,431 against $2,239,706).

Company did not receive any rate increase but is confident that it will in near future to compensate for increased expenses and improve investment return. Company has negotiated with Mexican authorities but amount and timing of increase have not been determined, report Chairman William Draper, Jr., and President G. Maryssael.

In both 1955 and 1954 company had benefit of tax advantages granted in October, 1954, pending a further rate increase to include compensation for loss of such tax advantages.

Construction began on an 82,400 kw thermo-generating unit for Lecheria plant. Unit will be largest in Mexico and one of largest in Latin America.

The 1955 construction program cost $8 millions. It consisted largely of improvements and additions to substations, transmission lines and distribution facilities. Substation capacity increased by 24,710 kva. Distribution transformers installed capacity rose 12.5%. Construction began on company's new central office in Mexico City which will provide office space for expansion in next 10 years. Construction program for 1956 will be about double last year's and programs for future years will be even larger if present demand growth continues.

Unusually favorable water conditions made it possible for company to increase substantially hydro-electric generation and cut thermal generation to 25.3% (41.3% in previous year) of total.

Total sales climbed 12% to 2,179 million kwh, with high tension industrial consumption up 16%, low tension commercial and industrial up nearly 11% and domestic up 8%. Kwh sales rose 2%. Transmission and distribution losses dropped to 18.7% (19.4%) despite higher proportion of hydro-electric generation. This was result of completion of new 220 kv transmission line from Necaxa system to Mexico City.

Hurricane "Janet," worst storm in Nexaco region in company's history caused many landslides. Tepexic and Patla plants had to close for about two weeks but company's thermal plants were able to pick up load and service was not interrupted. However, repairs to Necaxa hydraulic system have been extensive and $378,135 has been charged as a special item in profit and loss and surplus statement. Company is undertaking preventive measures to minimize similar damage in future.

U. S. short term loans from four banks were increased in June by $1 million to $4 millions and company borrowed $1 million from Société Financière de Transports et d'Enterprises Industrielles (Sofina), S. A., bringing total loans to $5 million. In November company repaid $1 million of loans and renewed for one year remaining $4 million loans.

An issue of trustee certificates was sold in Mexico.

CONS. INCOME ACCOUNT

Years Ended Dec. 31:	1955	1954
	$	$
Gross oper. earn.	31,422,437	27,186,849
Total net earn.	11,312,336	7,992,011
Less: Deprec.	3,775,000	3,178,000
Amort. rts., etc.	186,223	186,223
Bond int.	2,899,842	2,063,060
Inc. deb. int.▪	238,832	235,002
Net profit	4,312,431	2,239,726
Less: Pref. divd.	853,244	1,137,550
Common divd.	1,508,816	444,209
Surplus	1,760,371	747,838

▪Charged each year but payable only to extent earned.

Times Fixed Charges† Earned:

Before deprec.	3.88	3.01
After deprec.	2.59	1.81

†Calculated before deducting amount capitalized during construction: $15,891 in 1955, $596,088 in 1954.

Earnings per Share:

$1 Pref.	$4.94	$2.73
Paid	1.00	*1.33⅓
Common	1.80	0.83
Paid	0.87½+stk.▪	0.25

*Including 50c in respect of 1953.

▪1/20 common sh. for each common sh. held; pd. May 2, 1955.

CONDENSED CONS. BALANCE SHEET

As at Dec. 31:	1955	1954
Cash	$3,872,064	$3,822,294
Accts. rec.	5,492,872	5,951,328
Inventories	2,979,308	2,408,447
Total curr. assets	12,343,341	12,180,069
Misc. assets	2,798,212	1,147,802
Reorg. exp.	922,162	1,164,870
Fixed assets	194,131,782	187,303,605
Total assets	210,195,397	201,796,346
Bank loan (sec.)	4,000,000	2,895,000
Accts., pay.	4,247,987	2,881,040
S.f. pay. due	1,524,331	1,357,149
Int. etc., pay.	1,376,966	1,294,964
Total curr. liab.	11,149,284	8,428,173
Def. liab.	6,845,109	7,698,813
Funded debt	80,168,128	80,902,380
Depr., etc., res.	80,496,842	58,553,214
Reinvest. res.	1,520,582	1,061,178
Capital stock	40,724,482	40,635,600
Earned surplus	29,290,982	28,517,289
Working capital	1,193,953	3,781,896

Position of Chartered Banks of Canada as at April 30, 1956, Shown by Monthly Returns to Minister of Finance

(Thousands of dollars)

ASSETS

NAME OF BANK	Gold & coin in Canada	Gold & coin outside Canada	Notes & deposits with Bk. of Can.	Gov. and bk. notes other than Can.	Dep. with oth. banks in Can. currency	Deposits with oth. bks. in currencies oth. than Can.	Cheques and oth. items in transit, net	Gov. of Can. treasury bills	Dom. Gov. Short Term Sec.	Dom. Gov. Long Term Sec.	Prov. Gov. Sec.	Municipal Sec.	Other Can. Sec.	Securities oth. than Can.	Mtges.	Call and short loans in Can.	Call and short loans outside Can.	Loans to Can. Prov. Gov.	Loans to municipalities	Other current loans in Can.	Other current loans outside Can.	Non-current loans	Bank premises	Shares and loans to corporations	Letters of credit	Other assets	Total assets
	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$
Montreal	4,607	13	198,882	2,376	1,163	59,226	185,205	152,525	85,252	492,017	80,290	44,034	125,241	47,560	75,668	30,560	49,483	6,229	49,537	971,796	22,057	437	28,869	1,490	38,717	748	2,753,984
Nova Scotia	1,609	380	70,126	6,945	112	19,778	98,023	63,501	15,138	120,445	4,399	12,274	36,459	15,114	17,317	25,710	57,916	447	23,128	541,596	76,345	1	12,673	4,005	22,992	655	1,347,116
Toronto-Dominion	2,206	1	90,093	1,943	819	17,779	126,804	37,931	5,505	189,901	29,614	24,658	27,322	1,200	26,143	16,433	16,045	2,644	22,693	568,813	3,199	78	18,753	.....	16,469	307	1,267,273
Provinciale	683	.....	21,507	344	.....	1,203	14,540	17,894	4,165	44,051	19,549	10,537	7,219	364	1,978	3,345	.....	64	12,866	101,637	.....	34	6,525	.....	1,965	406	271,410
Commerce	2,987	61	150,634	2,823	433	34,296	161,737	163,195	44,514	259,890	31,933	37,121	84,845	64,093	76,565	55,334	90,360	2,669	38,310	924,502	59,283	437	22,106	17,887	28,879	834	2,363,728
Royal	4,163	966	193,735	22,572	746	149,954	225,845	205,394	138,977	413,665	77,920	39,707	179,581	182,415	133,750	61,434	47,837	3,497	31,323	972,678	188,112	283	30,204	5,447	94,373	950	3,405,608
Nationale	1,463	1	49,768	878	5	2,309	37,188	36,782	44,354	77,002	34,094	23,987	12,402	2,015	8,968	4,789	.....	1	30,617	264,861	132	50	8,793	.....	1,557	92	542,106
Imperial	1,296	.....	51,815	837	178	11,393	63,553	57,814	11,383	97,123	17,138	17,944	15,579	1,504	21,092	18,822	.....	10	14,872	415,978	.....	46	6,490	3,190	13,474	180	841,711
Mercantile	10	.....	1,331	37	27	1,487	135	605	349	1,245	79	34	41	.....	.....	293	.....	.....	.....	5,789	.....	.....	296	.....	1,718	28	13,501
Total	19,024	1,422	835,891	38,755	3,483	297,425	912,830	755,641	349,637	1,695,339	295,016	210,756	488,889	314,265	361,481	218,760	261,641	15,561	223,340	4,767,850	349,128	1,386	132,809	32,019	220,164	4,127	12,906,430

(Thousands of dollars)

LIABILITIES

NAME OF BANK	Deposits by Govt. of Canada in Can. currency	Deposits by Canadian prov. govt. in Can. currency	Deposits by oth. banks in Can. currency	Deposits by other banks in curr. oth. than Can.	Personal savings dep. in Can.	Notice deposits in Can. curr.	Demand deposits in Can. currency	Other deposits in currencies oth. than Can.	Adv. from Bk. of Can. secured	Acceptances, guarantees and letters of credit	Other liabilities	Capital paid up	Rest account	Undivided profits at latest fiscal year end	Total Liabilities
	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$
Montreal	76,619	41,523	29,592	9,815	1,332,538	165,426	833,918	142,153	.....	38,717	2,549	65,000	92,000	2,134	2,753,984
Nova Scotia	37,605	8,126	5,600	50,518	374,325	28,844	339,341	105,999	.....	22,992	2,739	15,000	25,000	1,027	1,347,116
Toronto-Dominion	29,309	7,082	11,582	5,029	864,819	38,096	392,535	28,641	.....	16,469	2,568	15,000	33,000	855	1,267,273
Provinciale	13,442	3,518	611	.....	158,965	18,443	64,720	354	.....	1,986	281	5,000	4,000	90	271,410
Commerce	72,280	32,972	31,532	28,435	1,095,500	79,018	712,145	181,346	.....	28,879	6,722	37,500	86,000	1,399	2,363,728
Royal	73,628	34,194	38,630	37,639	1,283,853	133,714	1,010,457	517,336	.....	94,373	9,666	42,000	109,200	913	3,405,608
Nationale	30,841	3,897	2,462	180	392,236	25,432	159,901	3,022	.....	1,557	703	7,000	14,000	877	643,108
Imperial	20,751	30,572	12,332	4,718	395,535	48,478	260,664	12,791	.....	13,474	2,244	11,200	26,500	2,153	841,711
Mercantile	132	.....	1,778	1,795	862	2,515	2,028	767	.....	1,718	7	1,300	400	1	13,501
Total	354,607	161,884	134,117	158,129	5,918,633	479,936	3,766,029	1,026,409	.....	220,165	27,477	179,200	380,400	9,468	12,906,430

THE WEEK'S QUOTATIONS

Quotations here listed are the official, exchange prices for listed stocks including curb market quotations. For unlisted stocks, quotations by unlisted dealers are given. The Financial Post cannot accept any responsibility for these quotations.

Montreal and Toronto Winnipeg, Calgary and Vancouver

Bid and Ask quotes of Toronto and Montreal exchanges up to press time are published on page 40.

WEEK ENDING JUNE 1, 1956

Range 1956 High	Low	Div. Rate $	Y'ld %	Company	Sales	Last May 25	Week end. June 1 H	L	Close
1.10	.70			Abitca	61425	.80	.97	.75	.94
45¼	34½	1.50	3.8	Abitibi	11106	37½	39¼	37	39
26¼	24	1.12½	4.6	Do. 4½% pref.	1300	24¼	25	24¼	24¼
12¼	10¼	.50	5.0	Acadia Atlan.	388	10¼	10¼	r10	r10
106½	102	5.00	4.9	Do. 5% pref.	40	102½	102½	102	102½
24½	21¾	1.20	5.3	Do. (A)	550	22½	23	22½	22½
..	..	•1.00		Admiral	nil	..	18¾	18¼	r17
8¼	7	.40	5.2	Agnew Surpl	1440	7½	7¾	7¼	7¼
10¼	9½	.55	5.8	Do. pref.	50	9½	9¼	9½	9½
2.10	1.50			Abt. Dist.	3000	1.75	1.85	1.50	1.85
1.75	1.40			Do. V.T.	800	1.50	1.50	1.40	1.50
122	93			Algoma Steel	7079	96½	103	95¼	102½
25¼	23	1.00	4.2	Alum. of Can. p	nil	..	22¾	22¼	23¼
52¼	49½	2.25	4.5	Do. 2nd pref.	2995	50	50¼	49½	50
137½	100	r1.15		Aluminium	12204	120½	126½	117	125¾
8	5¼	r.15		Andian Nat.	365	6¼	6¼	5¼	5¾
.15	13¼	r.40		Anglo. Can. Oils. (Brandon)	nil	..	14	..	15
53	42½	2.00	4.3	Ang. Cdn. Pulp	70	45	48	45	46
54	51½	2.80	5.3	Do. pref.	115	52	53	52½	53
50¼	44½	2.25	5.0	Ang. Can. Tel. p	60	45	45	45	45
13¾	11	.60	5.3	Ang. Nfld.	4570	11¾	11¾	11	11¾
..	..	r1.00		Anglo-Scand. Inv	100	27	..	..	11
26½	24½	1.20	4.8	Anthes Imp.	100	27	25½	25½	25½
.80	.40½			Arcan Corp.	1500	.40½	.50	.43	.45
25¼	21¾	.80	3.5	Argus	1355	23	23¼	23	23
57½	53	2.40	4.4	Do. $2.40 pref.	210	55	56	54½	55
47	45	2.50	5.4	Do. $2.50 pref.	256	46	46	46	46
..	..	•.50		Aro Equip.	nil	..	..	..	135
45	38	1.00	r1.60	Asbestos	2055	39	40½	38	40
14	10	.60	4.4	Ashdown Hd. A	nil	..	12¼	15¼	14
14½	12½	.72	5.3	Do. (B)	400	13½	13¾	12½	13¼
17	16	.60	r•a•.11	Do. (A)	100	16	16	16	16
18¼	18			Can. Forg.	nil	..	..	18	18¼
77	71			Barcelona	nil	..	..	9	77
10	9½	1.00	11.0	Bates & Innes A	nil	..	..	9¼	9½
65½	62	3.00	r.50	Bathurst Pr. A	320	63½	63½	63	63½
46	39	r1.25		Do. (B)	393	40	40½	r39	r39
7¾	6¼	.40	5.9	Beatty Bros.	nil	..	..	6¼	7¼
..	..	r.50		Beaubran	nil	..	..	11¼	15
21	19	r.40		Beaver Lumber	50	20	20½	20½	20½
22¼	21¼	1.00	4.7	Do. (A)	15	21¼	21¼	21¼	21¼
33	32½	1.40	4.3	Do. pref.	94	32½	32½	32½	32½
..	..	•1.20		Belding Cort.	280	8	8	8	8
13	12	.70	5.8	Do. pref.	nil	..	11¾	13	12
..	..	•		Belgium Stores	nil	..	..	..	5¾
..	..	r.50		Do. pref.	nil	..	..	11¼	11¾
8½	4¾	2.00	4.2	Bell Telephone	21531	47¾	48	47¼	47¾
1.15	1.05			Do. Rights	349567	..	.15	1.05	1.12
8	6¼	.40	7.3	Biltmore Hats	5	15¼	15	15	15
14¼	12¼	1.00	7.7	Do. (A)	25	13	14	14	14
50	2.40	r.40	5.2	Bird Constr.	nil	..	50	..	50
10	8			Blue Ribbon	nil	..	10	12	10
34	32	r1.25•		Do. pref.	nil	..	25	32½	32½
..	..	r.50		Bowes Ltd.	nil	..	16	..	13
20	17½	1.00	5.6	Brant. Cord. A	nil	..	19	19	18
12¼	10¼	.50	4.6	Do. (B)	nil	..	8	12½	10½
8	6¼	r.50		Brazilian Tr.	14687	6¾	6¾	6¾	6¾
98	94	6.00	6.6	Do. pref.	10	r91	r91	r91	r91
50	47	2.90	6.0	Bridge & Tank p	25	47½	48	48	48
3.00	2.55			Do. Warr.	195	3	3	3	3
19	15			Bright, T. G.	nil	..	15¼	15	16
21¼	20	1.15	5.5	Do. 5% pref.	110	20	21	20	21
32	29	r.30+1.40		Brit. Am. Bk. N'ts	135	30	31	30	31
45½	35	1.00	2.5	Brit. Amer. Oil	30778	38¼	39¼	38¼	39¼
95½	90	4.00	4.4	B.C. Elec. 4% pf.	95	91	91	91	91
106	99¼	4.75	4.7	Do. 4½% pref.	505	100	101	100¼	101
54¼	50	2.50	4.8	Do. 5% pref.	410	52½	53	52½	53
53	47½	2.25	4.7	Do. 4½% pref.	120	47	47	46¼	47
50	47½	2.25	4.5	Do. 4½% pref.	10750	15¼	16¼	15¼	16
20	15½	r.25		B.C. Forest	280	15½	16	15	16
17½	15	.75	4.7	B.C. Packers A	100	12½	13	12½	13
15	12	r1.00		Do. (B)	2215	16	16¼	11	11¼
41¼	38½	1.20	3.0	B.C. Power	8910	38	39¼	38	39½
52¼	48	2.00	4.3	B.C. Tele.	2211	46¼	47	46¼	47
1.01	.87½			B.C. Turf	1800	1.00	.99	.95	.95
24¼	17½	1.50		Brown Co.	10062	21¼	21¾	21	21¼
14½	8¼	1.20•		Bruck S. Mills A	125	8¾	8¼	8¼	8¼
5	3¼	•		Do. (B)	4300	3¼	3¼	3¼	3¼
40	34	1.80	5.1	Building Prod.	1015	35	35	34¼	35
7¾	7¼			Bulloch's A	40	7¾	7¾	7¼	7¼
54	52			Do. (B)	180	53	54	51	51
31	28	1.00	r1.50	Burlington Steel	2205	28	28¼	28	28¼
14¼	11	r.60	r.05	Burns & Co.	nil	..	11¾	12	11¾
9	8	4.45	5.6	Burrard D.D. A	1300	8¼	8	8	8
3.30	3.00	•		Butterfly Hos.	nil	..	..	..	3.10
..	..	.80	6.2	Caldwell Linen	nil	..	..	..	13
21¼	21½	1.50	6.5	Do. 1st pref.	nil	..	24½	..	23
12¼	12	.80	6.7	Do. 2nd pref.	nil	..	12	12¼	12
58¼	55½			Calgary Pwr.	5015	56½	57	55¼	57
105	101½	5.00	4.9	Do. 5% pref.	25	r101½	102¼	101½	102½
61	56	2.50	4.5	Canada Bread	100	58	58	56	58
36	28½	1.00	3.2	Do. pref.	9385	29¼	31¼	29½	31
32½	28½	1.30	4.6	Can. Cr. Stone	865	29	29½	r27¼	28½
11½	8¼	r.20		C. & D. Sugar	3400	22¼	23	22¼	23¼
25	20¼	r.60		Can. Floor B	nil	..	17¼	..	19
19	19	r.50		Can. Foils	nil	..	16	14	14¼
13¼	13¼	.40	3.0	Do. (A)	100	16	16¼	16	16¼
17	16	.60	r•a•.11	Can. Forg.	nil	..	16	18¼	18¼
18¼	18			Do. (A)	nil	..	..	..	18¼
27¼	25½	1.50	5.8	Can. Iron	1695	35¼	35¼	35	35¼
39¼	34	r1.12½		Do. 4½% pref.	510	102½	103½	103	103
104	102			Can. Life	nil	..	160	165	165
15	15	r.25		Can. Machine	nil	..	..	12	13
62	53	2.00	r•a•.11	Can. Malting	345	57½	58	57½	58
26	23½	1.17	5.0	Do. 4½% pref.	1370	23¼	23½	23¼	23½
42	37½	1.50	3.9	Can. Packers A	80	37	38¼	38¼	38¼
37	34½	1.50	4.3	Do. (B)	305	35	35¼	35	35
98	87½	3.00	r•.40	Can. Pitman	470	87½	87½	87½	87½
104	97	4.40	4.5	C. Safeway pf.	170	97	98	97	97
36	29½	r.50		Can. Steamships	125	31	31	31	31
14	12	r.24		Do. pref.	355	12¼	12¼	12¼	12¼
20	18¼	.80	r1.36	Can. Vinegars	175	19	20	18¼	18¼
..	..	.80		Can. W. Cord A	nil	..	..	..	8½
155¼	155	4.00	2.6	C. W. Cable A	nil	..	192	..	155
20	18½	r.20		Do. (B)	375	19	18¼	18¼	18¼
95	85	1.00	r1•	Canadian Arena	nil	..	90	..	95
7¼	6	•		Cdn. Bakeries	100	6½	6	6	6
56¼	44½	1.40	r.20	Cdn. Bk. Com.	2555	50½	51¼	50	50¼
33½	29½	1.50	4.0	Cdn. Breweries	15824	30¼	30¾	29½	30
33¼	30	1.25	4.0	Do. pref.	1590	31	31¼	30¼	31
32	27	r.60½	r1.50	Cdn. Bronze	705	30	32	30	32
105	104	5.00	4.8	Do. pref.	nil	..	..	101	..
42¼	32½	2.00	4.8	Cdn. Canners	20592	39½	41¼	39¼	41¼
21¼	15¾	r.30	r1.15	Cdn. Celanese	2280	16	16¾	15¼	16¼
37	29	1.75	5.6	Do. pref. $1.75	485	32	32	29	31
21¼	20	1.00	5.0	Do. $1 pref.	150	20	20	20	20
12¼	9	..		Cdn. Chem.	2050	9¼	9¼	9	9¼
14¾	9	■	..	Cdn. Collieries	4183	9	9¼	9	9¼
95	84	..	..	Do. 5% pref.	14260	92	92	90	92
44	41	•	..	Cdn. Convert A	nil	..	44	4	41
..	..	..	..	Do. (B)	nil	..	4	..	4
15	14	•	..	Cdn. Cottons	nil	..	..	13¼	r13
9	8	•	..	Do. pref.	150	8	8¼	8	8
25¼	19	r.50	..	Cdn. Dredge	1583	21	20	19	20
28½	22	1.00	3.7	Cdn. Fairb.	60	27	27	27	27
125¼	124	6.00	4.8	Do. pref.	nil	..	125	..	124
4¼	3¼	•	..	Cdn. Food Prod.	879	3.25	3.70	3.25	3.25
8¼	8	•	..	Do. (A)	350	8	8	8	8
65	56	•	..	Do. pref.	10	60	61	61	61
1000	825	r5.00	+4.00	Cdn. Gen. Elec	592	900	760	1250	1000
32	28½	1.10	r•.18	Cdn. G. Inv.	2500	31	31	28	31
27	23	r.50•	..	Cdn. G. Sec. A	250	26½	27	26¼	27
25	25	r.50•	..	Do. (B)	100	25	25	25	25
11¾	7¼	••.12•	..	Cdn. Hydro-Card	1375	10¼	10¼	10¼	10½
6	5	r.10	..	C. Ice Machine	nil	..	5¼	..	5
12¾	11	.80	7.3	Do. (A)	70	11	11	11	11
24	19	r.30	..	Cdn. Indus.	2211	19½	20¼	19	20¼
95	91	3.75	4.1	Do. pref.	10	91	92	92	92
91	85	r2.00	r2.00	C. Ingersoll R.	20	92	92	92	92
21	16	r.75	3.0	Cdn. Int. L. Tr.	nil	..	17¾	22	17½
98	97	5.00	5.2	Do. pref.	nil	..	..	..	97
41	21	r1.00	..	Cdn. Locomo.	100	33	32¼	32¼	32¼
6.62½	4.35	1.06	..	Cdn. Marconi	2615	4.75	4.80	4.35	4.55
25	19½	.60	2.6	Can. Oil	3610	22¾	23¼	21¼	22¾
107¼	100	5.00	4.9	Do. 5% pref.	125	103	103½	101	102¼
165	160	8.00	4.9	Do. 8% pref.	nil	..	160	161	160
99	93	4.00	4.3	Do. 6% pref.	nil	..	94	94	93½
15	11	..	..	Do. Warr. 1953	810	11	11	11	11
8.00	3.30	..	..	Do. Warr. 1955	830	3.75	3.50	3.30	3.45
36¼	31	1.50	4.8	Cdn. Pacific	18162	31	32	31	31¼
29¾	22½	..	..	Cdn. Petrofina p	6276	27½	28¼	27¾	28¼
..	5¾	..	..	Cdn. Pr. & P S	612	6¾	7¼	6¾	7¼
1.12	.85	..	..	Cdn. Propane	100	1.10	1.10	1.10	1.10
21½	15	..	..	Cdn. Salt	101	20¼	21¼	20¼	21¼
42	41	•	..	Cdn. Silk A	50	7¾	41	41	41
108	91	.60	+•.10	Cdn. Tire	55	102	105	102	105
..	..	1.00	4.8	Do. pref.	nil	..	20¼	..	21
104½	100½	5.00	5.1	Cdn. Utilities p	15	r100	r99	r99	r99
..	..	..	..	Do. 4½% pref.	nil	..	..	..	91
46	30½	1.50	4.4	Cdn. Vickers	4880	36¾	36¼	32	34
11½	10½	..	..	C. Wallpaper A	nil	..	11¼	15	11½
11¾	10	..	..	Do. (B)	25	11¾	r12¼	r12¼	r12¼
22	14½	..	..	Cdn. Wire Cables	1480	21	22	21¼	22
19	16½	.80	4.8	Cdn. West Gas p	520	17	17	16¾	17
53	46	r.50	..	C. Westinghouse	335	r47	r47	..	100
5.95	4.60	r•a.15	..	Capital Estates	1525	4.60	5.00	4.70	4.85
1.40	1.20	..	..	Carling Br. Alta	nil	..	1.10	1.20	1.25
1.20	1.15	..	..	Do. V.T.	nil	..	..	1.05	1.15
13¾	12¼	.60	+•.30	Carter, J. B. A	nil	..	..	14¼	13¾
18	17	r1.00	..	Do. (B)	110	18	r19	18	18
28	27¼	.50	+•.10	Catelli Food A	nil	..	..	27¼	r25
40	37¼	1.00	+•.10	Do. (B)	nil	..	..	..	40
..	..	•a.25	..	Celanese Corp.	nil	..	..	..	22¼
..	..	a4.50	..	Do. 4½% pref.	nil	..	..	..	..
..	..	a7.00	..	Do. 7% 2nd pf.	nil	..	..	..	..
..	..	.80	..	Cent. Can. Invest	nil	..	27¼	..	28
103	102½	5.00	4.9	Do. pref.	nil	..	100½	..	103
6	5	1.50	+••.75	Cent. Nor. Air A	nil	..	..	..	5¾
8½	6	..	..	Do. (B)	nil	..	8	8¾	8
72½	59	1.40	2.4	Chart. Trust	130	62½	59	59	59
4.90	3.30	..	..	Chatco Steel	1200	4.75	4.90	4.70	4.85
6	5	.50	0.9	Do. pref.	1900	5¾	6	5¾	5¾
18¼	16¼	1.00	5.9	Chateau-Gai	10	17	17	17	17
86	59	r1.50	+21.00	Chrysler Corp	230	60¼	62	59	59
.65	.40	r.06	..	Cinzano A	nil	..	.45	50	r.50
..	..	5i%	..	Do. 5½% pref.	nil	..	..	1.50	r1.50
2	2	•	..	Circle Bar Knit.	nil	..	11	3	2
4¼	4¼	•	..	Do. (A)	nil	..	4¼	9	4¼
4.00	3.70	•	..	Claude Neon A	50	4.00	3.90	3.90	3.90
4.00	3.50	•	..	Do. (B)	100	3.85	4.00	4.00	4.00
76	68	•	..	Do. pref.	48	r68¼	70	68	68
22¼	19	.80	4.0	Cochrane-D	nil	..	19	19¼	19¼
22¼	19	..	..	Do. (A)	15	20¼	20¼	20¼	20¼
8¼	5¼	•	..	Cockshutt Farm	3555	6¼	6¼	5¾	6¼
17¾	17	1.00	6.0	Coghlin, B. J.	120	17¼	r16¾	r16¾	r16¾
..	..	•.75	+.35	Coll. Terminal	nil	..	11¾	..	12¾
..	..	•.75	+.35	Do. pref.	nil	..	13	..	r13
13	9¼	•.12½	..	Comb Enter.	2550	10¾	11	10¾	11
11	10¼	.80	7.4	Conduits Nat.	50	10¾	10¾	10¾	10¾
170	139	1.50	1.1	Conf. Life	10	140	139	139	139
10¾	6¾	1.25	..	Cons. Bakeries	646	¾	¾	r6¾	6¾

Range 1956 High	Low	Div. Rate $	Y'ld %	Company	Sales	Last May 25	Week end. June 1 H	L	Close
1.90	1.10			Cons. Div. Sec. A	197	1.50	1.55	1.55	1.55
36	33	•1.00		Do. pref.	11	35¼	35¼	35¼	35¼
..	..	•.25		Cons. Fire Ins.	nil	..	7	..	4
41¼	33¼	•.50+.25		Cons. Paper	11009	38	40¼	38	40
3.00	2.30	•		Cons. Press A	nil	..	2.40	2.40	2.50
11	1			Do. (B)	nil	..	1	11	1
38	31¼	.80	+.55	Cons. Smelters	14010	32	33¼	31¼	32½
6¼	4½	•		Cons. Textiles	25	4½	4¼	4¼	4½
nil	..	1.00	4.9	Do. pref.	nil	..	..	..	r20½
23½	20	.80	3.9	Consumers' Gas	2595	21	21	20¼	20¼
33½	29¼	1.50	4.9	Consum. Glass	90	30	30½	30	30¼
..	..	•.90	a..	Cont. Can	nil	..	..	..	85
4¼	4¼			Copp Clark	nil	..	4.25	4.30	4.75
18	16	•.50		Corbys A	1145	16	16¼	16	16¼
17¾	15¼	•.30		Do. (B)	275	r15¼	16	15¼	15¼
13¼	12	.70	5.4	Cosmos Imp.	5	13	13	13	13
7	6	.30	4.8	Craig Bit	nil	..	6¼	6¼	6¼
21	20	.60	2.9	Crain, R. L.	50	20	21	21	21
11¼	10	•.35		Credit Accept.	nil	..	..	..	19
nil	..	..		Cres. Cream, pf.	nil	..	..	..	62¼
56	46	2.00	3.8	Crown Cork	nil	..	..	..	100
28	23	.60	2.6	Crown Trust	120	r23	23¼	23	23
69	53	1.80	+•	Crown Zellers	135	64¼	65	63¼	65
195	155	4.00	2.1	Crow's N. Coal	nil	..	r67¼	147¼	r86¼
51	49½	3.00	6.0	David & Fre. A	nil	..	49¼	..	49½
122	10½	•		Davis Leather A	50	11¼	10¼	10¼	10¼
4½	3¾			Do. (B)	nil	..	3¾	4	4¼
150	150	•1.00		De Havilland A	nil	..	149	190	150
nil	..	.50		Disher Steel	nil	..	..	..	..
25	25	1.50	6.0	Do. pref.	nil	..	25	..	25
39¼	33	1.20	+1.50	Distill-Seagram	10382	33¼	35¼	33	34¼
..	..	•10.00	+6.00	Dom. Ang. Inv.	nil	..	395	..	350
..	..	5.00	5.2	Do. pref.	nil	..	352	..	r97
24½	19½	.40	+•.30	Dom. Bridge	7170	20¼	20¼	19½	20¼
10½	8½	..	..	Dom. Coal, pref.	205	8	8½	r8¼	8¼
13¼	11	.80	6.2	Dom. Corset	100	13	13	13	13
8¼	7	..	..	Dom. Dairies	100	r6¼	7¼	7¼	7¼
21	16	•	..	Do. pref.	100	17¼	17¼	17¼	17¼
12	7	•.30	..	Dom. Electro	nil	..	9½	11¼	11½
26¼	22	.60	+•.20	Dom. Engineer	275	23	23¼	23	23¼
10¼	9½	.40	4.0	Dom. Fabrics	10	10	10	10	10
24	22¼	1.20	+a•.25	Do. pref.	nil	..	22	24	22¼
35¼	27½	.80	2.8	Dom. Foundry	2480	29¼	29¼	28¼	29
103¼	100	4.50	4.4	Do. 4½% pref.	100	101¼	101¼	101	101¼
45	39	•.70	+1.82½	Dom. Glass	295	41	42	41¼	41¼
17¼	16	.70	4.1	Do. pref.	nil	..	..	16½	16¾
..	..	17.00	+1.00	Dom. Insur.	nil	..	..	..	17
2425	14	14	13¼	13¼					
1190	35	35	35	35¼					
..	..	27¼	28	27					
150	48	50	48	50					
..	..	..	.80	11.25					
110	100	4.00	+1.00	Dom. Square					
23	17¼	1.00	4.9	Dom. St. & C.					
37	32	1.00	3.1	Dom. Stores					
17¼	12½	.50	3.1	Dom. Tar & Ch.					
24	22	1.00	4.6	Do. pref.					
9	7¼	•.30		Dom. Textile					
141	138	7.00	5.1	Do. pref.					
21	18			Dom. Woollens					
135	133	.80	5.9	Donald Ropes B					
39¾	40	4.00	+39	Donnell & Mu.					
..	..	..	..	Do. new					
34¼	31	1.20	+•.25	Donohue Bros.					
35¼	31	..	..	Dow Brew					
24¼	20	•.30	..	Du Pont of Can.					
29¼	24	3.75	4.1	Dupuis Fre. A					
9¼	6¼	.55	6.1	Dupuis Fre. A					
3.10	3.10	..	..	East. Koot Pr.					
70	70	..	..	Do. pref.					
..	..	..	..	East Bak. 4% pf					
8	4	..	..	East Steel					
27	24	1.60	7.0	Do. pref.					
66	54½	2.40	3.6	Gypsum Lime					
..	..	..	..	Do. new					
23¼	21	1.00	4.5	Hahn Brass					
16¼	14	.80	4.8	Do. (A)					
17	15	.90	6.2	Ham. Cot.					
98	97	5.00	5.1	Do. 5% pref.					
9	8	r.45	..	Harding Carpet					
10¼	10½	.50	4.9	Hartz, J. F. A					
36	30½	r1.50	..	Hayes Steel					
4	3¼	..	..	Hees, Geo. H.					
31	28½	1.04	+1.25	Hendershot Pap.					
..	..	4.00	6.7	Do. pref.					
.80	.70	..	..	Hillcrest Coll.					
58	47	r.90	..	Hinde & Dauch					
4	2¼	..	..	Holcen Mtg. A					
..	..	..	..	Do. (B)					
..	..	..	..	Holt Renfrew					
..	..	5.00	5.0	Do. 1st pref.					
..	..	r2.50	..	Do. 2nd pref.					
11	11	.50	4.5	Horner, F. W. A					
..	..	..	..	Ho. LaSalle					
49	40	1.00	+1.20	H. Smith Paper					
50¼	47½	2.00	4.2	Do. pref.					
1.80	1.25	..	..	Hubbard Felt					
20	17	1.50	+••.75	Do. A pref.					
17	16¼	.80	4.7	Hughes-Owen A					
..	..	.40	4.4	Do. (B)					
26¼	26¼	1.60	6.1	Do. pref.					
42	37	7••	4.1	Huron-Erie					
11	8¼	1.40	..	Hydro-Electric					
61	53	1.40	+2.40	Imperial Bk.					
27½	26	1.20	4.6	Imp. Flo-Glaze					
..	..	1.50	5.0	Do. pref.					
12¼	11	.70	5.8	Imp. Invest. A					
..	..	2.50	..	Do. pref.					
79	67½	2.00	2.9	Imperial Life					
53¼	36¼	•.50	..	Imperial Oil					
12¼	11	.40	+•.17½	Imperial Tob.					
7¼	6••	.35	3.6	Do. 6% pref.					
59	50	2.50	4.7	Indust. Accept					
102½	96¼	4.50	4.6	Do. 4½% pref.					
50	48¼	2.25	5.0	Do. 4½% $2.25 p					
71	50	6.7		Ingersoll M. & T.					
115	112	..	..	Inglis, John					
16¼	14¼	..	..	Inland Cem. pf.					
6.00	3.15	..	..	Inland Nat. Gas					
..	..	.80	+2.25

Mine and Oil Stocks

Range 1956 High	Low	Div. Rate $	Company	Sales	Last May 25	Week Ending June 1 High	Low	Close
.69	.30	...	C. Red Pop.	23,200	.32	.38	.30	.38
1.39	.74	...	C. Regcourt	42,120	.90	.91	.78	.90
.25	.13	...	Con. San'rm	4,000	.14	.15	.14	.14
38.00	31.25	.80	Con. Smelt.	14,010	32.00	33.25	31.25	32.50
		+*.55						
5.40	3.45	...	Con. Sud'ry	96,525	3.85	4.15	3.45	4.05
.60	.40	...	Con. Thor .	9,200	.44	.45	.40	.40
.90	.55	...	Con. Tung.	110,830	.77	.80	.74	.80
3.25	1.70	...	Cont. Potash	5,120	1.85	2.05	¶1.65	2.00
8.00	5.75	...	Conwest	4,651	6.50	6.40	6.10	6.25
6.65	3.25	...	Copper Cliff	56,168	3.70	3.80	3.45	3.70
3.00	1.42	...	Cop. Corp. .	19,900	1.66	1.85	1.60	1.81
.87	.39	...	Coppercrest.	5,910	.45	.41	.39	.39
.56	.19½	...	Cop. Man. .	31,100	.23	.25	.20	.25
.13½	.05	...	Cortez	36,200	.12½	.12½	.11	.12
2.18	1.15	...	Coulee	49,700	1.55	1.65	1.45	1.53
.29	.17	...	Cournor	12,052	.21	.22	.20½	.21
3.10	1.69	...	Cowichan ..	38,075	1.75	2.15	1.80	2.00
.16	.08	...	Crestaurum.	6,000	.12	.11½	.11½	.11½
.37	.21	...	Croinor	1,000	.22	.23	.23	.23
.10	.05	...	Cron. Bab. .	2,100	.06½	.06	.06	.06
.73	.35	...	Crowpat	21,212	.36	.40	.36	.38
.00¾	.00¾	...	Cryderman.	nil	...	.01	.03½	.00¾
.39	.16	...	Cusco	16,370	.16¾	.20	.17	.17½
1.26	.30	...	D'Aragon ..	106,500	.62	.85	.58	.83
1.10	.65	...	Decoursey-B.	6,950	.69	.73	.68	.70
.47	.22	...	Do. warr..	3,400	.25	.27	.25	.25
.85	.50	...	Deer Horn ..	10,000	.55	.55	.50	.55
.32½	.17	...	D'Eldona ..	16,249	.22½	.22	.20½	.22
.88	.70	.04	Delnite	nil	...	.75	.79	.70
1.00	.60	...	Desmond ..	37,175	.60	.71	.61	.68
.20	.15	...	Detta Min. .	9,100	.15	.16	.15	.15
.94½	.28	...	Diadem	63,692	.63	.60	.51	.60
.30	.07	...	Dickstone C.	4,500	.22	.21	.20	.21
15.87½	13.75	.70	Dome M. ..	2,395	14.00	14.12½	13.75	14.00
.28	.15	...	Dom. Asb. .	9,000	.16½	.17	.16	.16½
.70	.42	...	Donalda ...	49,400	.50	.55	.45	.53
.09	.04	...	Doreen	2,000	.05½	.05½	.05	.05
3.05	.78	...	Duvan	96,700	1.17	1.30	1.08	1.24
.47	.18	...	Duvex	17,028	.28	.32	.28	.31
1.60	1.00	...	Dyno	101,700	1.05	1.19	1.05	1.13
.13¢	.09¢	...	East Amph.	6,500	.10¢	.10	.09¢	.09¢
2.52	1.75	*.05	East Mal. ..	25,000	1.85	1.95	1.85	1.85
6.75	5.70	*.15	East Sull. ..	10,430	5.95	6.00	5.75	5.90
1.50	.95	...	East. Asb. .	15,900	1.15	1.20	1.12	1.14
1.08	.62	...	East. Metals	55,850	.62	.80	.65	.79
7.70	5.60	...	East Min. ..	22,052	6.35	6.50	6.00	6.30
.79	.52	...	Elder	4,800	.55	.54½	.54	.54
1.80	.70	...	Eldrich	12,600	1.00	1.18	1.00	1.18
.23	.09	...	El Pen-Rey.	448,580	.16	.23	.15½	.22
.20	.09½	...	El Sol	31,000	.14	.14½	.14	.14½
.31	.19	...	Emerald	500	.19½	.20	.20	.20
2.35	1.08	...	Eureka	82,685	1.56	1.75	1.50	1.75
.50	.30	...	Fab. Met. ..	1,200	.33	.31	.31	.31
38.50	29.00	*.50	Falconbridge	7,494	33.50	34.12½	33.25	33.87½
		+.10						
.49	.22	...	Fano	17,500	.30	.32	.26	.32
2.37	1.25	...	Faraday	83,450	1.44	1.55	1.35	1.52
.72	.25	...	Farw't Tung.	8,300	.29	.29	.25	.28
.62	.20	...	Federal	21,650	.31	.40	.31	.40
.01¢	.00½	...	Flin Flon ..	nil	...	.00¢	.17	.00¢
.28	.14	...	Fontana '45.	35,600	.15½	.15½	.14	.15
.70	.35	...	Forty-Four.	nil	...	...	.45	.35
.17	.07½	...	Francoeur .	7,000	.11	.13	.12	.13
4.75	3.80	...	Frobisher ..	59,658	3.90	4.10	3.80	3.95
.60	.01	...	Do. warr. ..	175,300	.35	.30	.01	.01
97.00	85.00	...	Do. 4% deb.	2,130	85.00	85.00	85.00	85.00
.42	.25	...	Fundy Bay ..	39,200	.30	.34	.29	.31
.54	.32	...	Gaitwin' ..	71,600	.53	.52	.50	.52
56.00	34.00	...	Gaspe Cop..	435	51.25	53.00	50.50	53.00
24.00	17.00	...	Geco	7,258	18.50	18.75	17.50	18.50
.64	.32	...	Genex	6,100	.40	.37	.32	.37
3.90	2.40	...	Geo-Scient..	2,500	2.60	2.55	2.40	2.55
1.03	.70	*.03	Giant Mas..	2,155	.90	.80	.70	.72
6.30	4.50	.15	Giant Yk. ..	11,812	4.95	5.10	4.50	5.00
1.60	.76	...	Glenn Ur ..	63,854	.85	.95	.76	.90
.64	.40½	...	God's Lake.	15,425	.43	.45	.42	.42
.46	.30	...	Goldale	8,600	.34	.34	.32½	.33
.26	.20	...	Gold Crest .	53,450	.28	.27	.20	.25
.13½	.09	...	Gold Eagle.	1,000	.11	.10½	.10½	.10½
			Gold Lake ..	nil	...	.01	.02	.01½
3.00	2.80	...	Gold Man. .	8,835	3.20	3.35	2.80	3.20
.60	.32	...	Goldfields .	15,600	.35	.35	.32	.32
.45	.26	...	Graham B. .	22,600	.28	.30	.26	.27½
19.75	14.50	*.25	Granby	nil	...	12.00	15.12½	14.50
.67	.30	...	Grandines ..	145,853	.34	.35	.30	.30
.56	.42	*.02	Grandoro ..	1,000	.55	.56	.56	.56
9.45	5.60	...	Granduc	3,770	5.70	6.10	5.60	5.60
.22	.18	...	Grandview .	nil	...	...	...	.18
.03½	.02	...	Great Falls.	nil	...	.03	.05½	.03
1.09	.48	...	Greyhawk ..	86,184	.61	.64	.49	.57
.21	.12	...	Gui-Por Ur.	3,400	.13	.14	.13	.13
1.49	.50	...	Gulch	119,900	62½	.62	.50	.54
.26	.14	...	Gulf Lead .	26,100	.17	.18	.16	.16
19.75	15.25	...	Gunnar G. .	14,857	16.25	18.00	15.75	17.37½
12.75	8.50	...	Do. warr..	23,120	9.50	9.50	9.00	9.50
.29	.12	...	Gwillim L..	37,200	.14	.15	.13	.15
3.50	3.25	.20	Hallnor	nil	...	3.25	3.40	3.30
.09	.04½	...	Hamil.	2,000	.05½	.05	.04½	.05
.19	.12½	...	Hard Rock ..	22,000	.13½	.14	.13	.14
1.70	.80	...	Harr. Mfn..	55,900	.90	.89½	.80	.85
.24	.17½	...	Hasaga	5,000	.18½	.18	.18	.18
.20	.13	...	H'd of Lakes	8,000	.16	.15½	.14	.15
2.09	1.10	...	Headway ..	60,405	1.50	1.62	1.41	1.48
.39½	.10	...	Heath	153,500	.28	.32½	.26	.30
.15	.05¢	...	Heva G.M. ..	32,500	.12½	.12½	.11	.11½
.85	.70	...	High.-Bell .	4,700	.80	.80	.80	.80
30.12½	22.37½	.24	Hollinger ..	7,010	26.25	26.50	25.50	25.75
10.87½	6.95	...	Hoyle	24,646	8.15	8.40	7.60	8.20
83.25	64.00	*2.50	Hudson Bay	8,816	77.00	79.00	76.25	79.00
		+11.00						
.30	.09	...	Hudson R. .	1,352	.20	.19	.15	.19
.53	.28	...	Hugh Pam..	2,500	.35	.37½	.35	.37½
.31½	.09	...	Imperial ...	249,200	.19	.31½	.18	.28
.86	.15	...	Indian L. ..	61,850	.24	.25	.21	.21½
.07¢	.04½	...	Indian M. ..	3,500	.06½	.06½	.06¢	.06¢
1.74	1.16	...	Inspiration .	10,450	1.25	1.35	1.20	1.34
98.50	78.25	*.65	Int. Nickel .	19,438	90.75	92.25	89.00	92.25
		+1.35						
131.87½	126.50	a7%	Do. pfd. ..	195	128.00	128.75	127.75	128.50
6.62½	6.25	a7%	Do. $5 pfd.	50	14.50	16.00	16.00	16.00
1.62	.86	...	Int. Ranwick	17,900	.99	1.15	.90	1.06
3.85	2.65	...	Irish Cop. ..	17,850	2.80	2.95	2.75	2.85
4.75	2.75	...	Iron Bay ..	9,375	3.65	3.75	3.45	3.50
.01¢	.01	...	Island Lake	nil	...	.01	.02	.01¢
.35	.21	...	Iso Uran. ..	10,000	.25	.25	.21	.21
1.30	.32	...	Jackson M.	9,200	.50	.48	.45	.45
.40	.20	a1.04	Jack Waite .	10,000	.21	.24	.20½	.21
		+.00¢						
.52	.26	...	Jacobus	27,250	.26	.33	.28	.30
.36	.20	...	Jardun	18,000	.26	.27	.25	.27
1.38	.51	...	Jaye	67,975	.90	.90	.73	.81
.50	.28	...	Jeanette	242,562	.40	.50	.37	.50
...	...	...	Jeep	nil	...	...	...	.22
.28	.09¢	...	Jellicoe	262,474	.20	.24	.20	.23
.22	.14	...	Joburke	14,000	.14	.15	.14	.14
1.50	.98	...	Joliet Que. .	112,060	1.00	1.56	1.00	1.25
.50	.28	...	Jonsmith	10,000	.32½	.37	.30	.35
1.00	.95	...	R. J. Jowsey	25,508	...	1.00	.95	1.00
.12½	.08	...	Kenville	8,500	.09	.09	.08¢	.09
20.50	17.00	.80	K.-Addison .	18,233	19.50	20.50	19.37½	20.12½
.95	.40	...	Kerr Lake ..	nil	...	.75	.80	.80
.13½	.10	...	Keyboycon.	11,500	.10¢	.12	.10	.12
.90	.60	...	Keymet	nil	...	.66	.75	.67
5.10	3.50	...	Kilembe	1,700	3.80	3.95	3.70	3.70
3.20	1.55	...	Do. warr..	6,150	2.00	2.20	1.90	2.20
.92	.32	...	Kirk. H. Bay	77,603	.78½	.79	.74	.77
2.01	1.50	...	Kirk. Min..	11,867	1.60	1.70	1.52	1.58
.49	.24½	...	Kirk. Town.	8,000	.27	.27	.24½	.25½
.43	.18	...	Konjiki Ld..	5,000	.18	.18	.18	.18
.95	.63	...	Kool. Base..	2,500	.05¢	.03	.03	.03
25.00	18.00	...	Labrador ..	3,635	18.87½	21.50	19.00	21.50
3.75	1.10	...	Lake Cinch.	13,000	1.45	1.49	1.10	1.10
3.55	1.95	...	L. Dufault .	33,720	2.44	2.80	2.40	2.80
.25	.13	...	L. Lingman.	13,050	.14	.15	.14	.14½
3.25	1.90	...	L. Nordic ..	31,175	2.35	2.75	2.27	2.65
.38	.22	...	Lake Osu ..	2,500	.25	.24	.22	.23
6.00	4.30	1.10	Lake Shore .	3,325	4.40	4.50	4.50	4.50
.37	.24	...	Lake Wasa .	2,000	.24	.24	.24	.24
4.45	2.60	.10	La Luz	2,150	4.05	4.10	4.05	4.10
3.55	2.80	*.10	Lamaque G.	375	3.00	2.95	2.80	2.95
.85	.68	*.03	Leitch Gold	2,100	78	.78	.77	.78
.41	.12½	...	Lencourt ...	87,600	.20	.23	.18	.19
.35	.20	...	Lexindin ..	10,500	.22	.23	.22	.22
.27½	.15	...	Lingside ...	87,000	.18½	.18½	.17	.17
2.50	1.10	...	Lithium ...	2,200	1.20	1.30	1.10	1.10
2.60	1.29	...	Little L.L. .	6,910	1.60	1.61	1.45	1.45
.26	.06¢	...	Lomega	621,278	.18½	.26	.18½	.25½
2.18	1.14	...	Lorado Ur. .	207,200	1.23	1.34	1.14	1.19
.40	.25	...	Louvicourt .	6,400	.26	.27	.25	.25
2.30	1.44	...	Lyndhurst ..	49,250	1.53	1.55	1.44	1.51
.17½	.08	...	Lynx Yk ..	3,000	.10	.11½	.10	.11½
2.30	1.90	*.06	Macassa ...	8,775	2.00	2.00	1.95	2.00
		+2.03						
1.51	.83	...	MacDonald.	17,300	.95	.95	.83	.85
.28½	.15	...	Macfie	15,100	.16	.20	.15	.15
.57	.33	...	Mackenzo ..	107,300	.34	.39	.33	.38
1.49	1.21	*.05	Macleod	2,100	1.29	1.30	1.29	1.30
2.70	2.20	*.05	Mad. R.L. ..	5,883	2.45	2.50	2.39	2.50
		+.05						
.21½	.12	...	Magnet	16,200	.13	.13	.12	.12
2.65	1.55	*.05	Malartic G. .	3,400	1.57	1.60	1.55	1.60
.41	.20	...	Maneast Ur.	12,300	.23	.27	.23½	.27
.49	.17	...	Maralgo	26,078	.40	.41	.35	.41
.35	.19½	...	Marcon	11,300	.23	.22	.19½	.20
.12½	.09½	...	Marcus Gold	4,000	.10¢	.11	.10¢	.10½
5.20	2.15	...	Maritimes ..	105,800	2.90	3.10	2.70	3.10
3.25	.60	...	Do. A warr.	31,900	.90	1.25	.85	1.15
3.50	.74	...	Do. B warr.	23,550	1.18	1.54	1.20	1.48
.39	.15	...	Martin McN.	46,900	.33	.25	.20¢	.21
.65	.20	...	Massberyle .	...	...	...	...	.50
.98	.65	...	Matachewan	nil	...	.50	.70	.65
2.10	1.04	...	Maybrun ..	129,365	1.14	1.35	1.04	1.21
95.50	80.50	2.00	McIntyre ..	590	86.00	86.00	84.00	84.75
		+1.00						
.45	.32	...	McK. R.L. .	57,333	.35	.45	.35	.39
.25	.13	...	McMarmac .	20,600	.13	.18	.14	.16
.70	.29¢	...	McWatters .	33,400	.54¢	.60¢	.53	.55
1.37	.57	...	Mentor Exp.	15,450	.63	.63	.57	.60
.40	.20	...	Mercedes ..	11,683	.20	.30	.26	.30
4.65	2.55	...	Merrill Is. .	128,780	3.15	3.25	3.00	3.10
.40	.24	...	Meta Ur. ...	40,100	.25	.27	.24	.27
1.60	.81	...	Midrim	168,851	1.51	1.60	1.48	1.58
1.30	.47	...	Midwest	14,700	.60	.59	.47	.47
2.80	1.61	...	Milliken L..	105,255	1.80	2.06	1.70	1.98
.42	.27	...	Mindamar .	nil	...	.21	.24	.21
29.37½	22.25	*.50	Mng. Corp..	2,100	24.50	25.00	24.00	24.75
		+2.25						
.94	.60	...	Min. End. .	131,640	.67	.80	.60	.80
1.06	.30½	...	Min-Ore ...	26,458	.33	.40	.30½	.38
1.40	.70	...	Mogador ...	8,700	.75	.85	.72	.82
3.95	2.90	...	Mogul	18,765	2.90	3.15	2.90	3.10
1.74	1.20	...	Moiyb'nite ..	11,000	1.20	1.27	1.20	1.20
.90	.75	*.05	Moneta	7,300	.75	.76	.75	.75
3.25	2.00	...	Montgary ..	94,675	3.60	3.75	3.40	3.70
.11½	.06¢	...	Montpas	1,000	.09½	.08	.08	.08
1.65	1.20	...	Multi-Min .	4,640	1.20	1.30	1.25	1.25
2.15	1.02	...	Nama Cr. ..	31,950	1.13	1.26	1.02	1.25
1.41	.55½	...	Nat. Ex. ...	77,000	.60	.68	.55½	.63
.42	.22	...	Nello Min. .	7,500	.29	.30	.27	.27
4.10	1.40	...	Nesbitt L. .	65,400	1.48	1.50	1.40	1.58
.41	.22	...	N. Alger ...	83,218	.22	.29	.22	.26
.93	.55	...	N. Athona .	7,668	.55	.60	.57	.59
.31	.18	...	New Bidl'e.	30,500	.20½	.21	.18	.19
1.30	.70	...	N. Calumet.	15,750	.80	.80	.76	.80
1.15	1.00	...	N. Delhi ...	30,900	1.02	1.03	1.01	1.01
2.05	1.76	*.05	N. Dick'n ..	7,600	1.85	1.85	1.76	1.81
.64	.08	...	N. Formaque	99,700	.48	.56	.44	.52
.63	.21	...	N. Fortune.	171,600	.53	.53	.45	.48
.36	.22	...	N. G'dvue .	29,750	.25½	.23½	.22	.23
.40	.27	...	N. Harna .	7,650	.27½	.30	.27½	.28
1.19	.50	...	N. H'ridge .	126,510	.70	.75	.65	.72
.50	.29	...	N. Hosco ..	17,575	.33	.32	.30	.31
.66	.14	...	N. Jack Lake	49,375	.44	.46	.43	.46
2.17	.33	...	N. Jaculet .	527,679	1.50	1.67	1.38	1.66
.54	.20	...	N. Jason	54,725	.22½	.30	.21½	.28
.33	.14½	...	N. Kelore .	39,400	.20	.21	.17	.17
5.00	4.50	...	Newkirk	882	4.65	4.85	4.50	4.75
.89	.35	...	N. Lafayette	7,000	.39	.41	.35	.40
1.13	.56	...	Newlund ...	62,865	.61	.75	.56	.69
1.38	.70	...	N. Man.	23,800	1.03	1.10	1.00	1.07
.98	.23	...	N. Minda-S.	194,400	.61	.71	.60	.68
.27	.15	...	N. M'l'que .	20,425	.15	.16½	.15	.16
.15½	.11	...	Newnorth ..	26,000	.12½	.12½	.12	.12
2.00	1.48	...	N. Pac. Coal	8,900	1.55	1.60	1.48	1.60
.31½	.16	...	N. Rouyn ..	69,200	.21	.24	.20	.21
7.60	2.38	...	N. Royran .	123,094	4.00	3.95	3.55	3.85
.18	.09	...	N. Santiago.	37,000	.11	.11	.09	.09
.20	.08½	...	N. Senator .	22,000	.10¢	.11	.10	.10½
.37	.22½	...	N. Taku	3,500	.25	.29	.27	.27
.35	.17	...	N. Thurbois	24,700	.17	.19	.17	.18
1.00	.13	...	N. Vinray .	16,000	.14½	.14	.13	.14
4.25	1.37	...	Nickel Rim.	541,642	3.40	4.25	3.50	3.80
5.25	2.37	...	Nipissing ..	18,310	4.05	4.20	3.85	3.90
.43	.09	...	Nisto	78,700	.25	.27	.22	.23
.15	.10½	...	Nocano	3,500	.12	.12	.12	.12
1.44	.81	±.03	Nor-Acme .	96,200	1.03	1.24	.95	1.16
64.62½	51.50	2.00	Noranda ..	6,866	55.50	58.25	55.00	57.00
.56	.19	...	Norgold	14,000	.20	.21	.19	.19
.17	.10	...	Norlartic ..	29,800	.13	.16	.12	.14
7.90	6.35	*.30	Normetal ..	11,855	7.00	7.00	6.70	6.70
1.62	.46	...	Norpax ..	1,151,628	1.17	1.62	1.17	1.34
.14½	.08½	...	North Inca.	89,000	.09	.11	.08½	.10
1.80	.80	...	N. Rankin .	963,361	1.18	1.60	1.20	1.57
.13	.09	...	N. Trinity .	27,000	.11	.11	.10	.11
1.65	.56	...	North Can. .	29,800	1.44	1.30	1.26	1.40
.51	.28	...	N.W. Vent .	4,700	.30	.30	.28	.29
.85	.31	...	Norvalie ..	16,335	.66	.73	.67½	.70
.55	.21	...	Nu-Age	38,100	.25	.25	.21	.23½
.10	.03	...	Nuclear	1,000	.06	.04½	.04½	.04½
.85	.42	...	Nudulama .	22,250	.47	.47	.42	.45
.75	.30	...	Obalski	322,825	.33	.37	.30	.33
.27	.10	...	Obaska	24,700	.12	.12	.11	.11
1.30	.68	*.02	O'Brien	4,500	.90	1.00	.91	.95
.41	.11½	...	Ogama	93,000	.26½	.29	.21	.26
.27	.10	...	Oka	10,050	.80	1.00	.74	.91
.45	.25	...	O'Leary	11,400	.26	.29½	.25	.27
.08½	.04	...	Omnitrans .	22,500	.06	.06¢	.06	.06
1.20	.39	...	Opemisca ..	40,100	.63	.64½	.59	.60
19.87½	8.20	...	Opemiska ..	107,260	14.00	16.00	13.50	15.75
.27	.20	...	Orchan	nil	...	.16	.17	.21
.57	.26½	...	Orenda	48,500	.28	.32	.27	.28
.89	.40	...	Ormsby	15,500	.55	.60	.40	.58
.63	.41	...	Osisko	44,400	.42	.46	.41	.44
.16	.11	...	Pac. East. .	9,275	13½	.13	.12½	12½
.50	.27½	...	Pac. Nickel.	18,625	.43	.50	.42	.50
.02½	.01½	...	Packsack ..	nil	...	.02	.02½	.02
.78	.50	...	Pamour P. .	11,600	.57	.60	.57	.57
2.05	.78	...	Panel	114,700	.91	1.09	.82	1.08
.23	.09½	...	Paramaque.	10,000	.11½	.12	.10	.11½
.19	.11	...	Parbec	23,700	.12	.13	.11	.12
1.50	.80	...	Pardee	17,600	.85	.90	.80	.85
1.90	.83	...	Pater	29,300	.90	1.00	.83	.88
6.75	5.50	*.10	Pato Con. .	2,580	5.50	5.70	5.50	5.65
		+.75						
.39½	.31	1.01¢	Paymaster ..	10,600	.33	.32½	.31	.32½
15.50	4.00	¹4.25	Pend Oreille	600	4.25	4.25	4.00	4.00
.34	.25	...	Perron Gold	nil	...	.24	.27	.25
2.25	1.35	.10	Pickle Crow	6,577	1.55	1.59	¶1.30	1.45
2.10	1.75	±.10	Pioneer G.	5,000	1.85	1.95	1.80	1.90
.18	.11	...	Pitch-Ore ..	39,900	.12½	.15½	.11	.14
.36	.15	...	Pitt G	161,350	.22	.23	.20½	.23
13.75	12.00	.50	Placer Dev.	4,670	12.37½	12.50	12.00	12.37½
.33	.16	...	Porc. Prime.	18,500	.16	.17	.16	.17
.40	.33½	...	Portage Is. .	52,850	...	.40	.33½	.33½
.60	.50	...	Powell R. ..	1,000	.54	.50	.50	.50
.23½	.05¢	...	Prem. Bord.	100,515	.17	.20	.16	.20
8.30	5.60	.08	Preston E. .	2,743	6.40	6.80	6.35	6.40
9.40	5.25	...	Pronto	7,040	5.55	6.00	5.25	5.50
5.40	2.75	...	Do. warr. ..	2,690	3.30	3.15	3.00	3.00
2.25	1.50	...	Prospectors.	6,750	1.50	1.85	1.65	1.85
.45	.15	...	Purdy Mica	53,100	.30	.30	.26	.30
.90	.39	...	Quatsino	33,400	.77	.78	.66	.70
4.85	2.00	*■	Que. Chib. .	86,685	2.35	2.33	2.10	2.20
3.50	2.05	...	Que. Cop. ..	36,480	2.20	2.20	2.05	2.15
.32	.09½	...	Que. Lab. .	159,330	.18	.19	.14	.15
15.00	11.00	...	Que. Lith. .	4,740	11.75	12.00	11.25	11.37½
1.94	1.16	...	Que. Man. .	3,350	1.32	1.28	1.20	1.25
4.60	3.60	...	Que. Met. ..	14,850	3.65	3.80	3.60	3.75
1.25	.44	...	Que. Smelt..	133,000	.65	.75	.61	.74
.30	.18	...	Queenston C.	9,013	.20½	.21½	.18	.21½
30.00	25.50	*1.00	Quemont ..	3,357	27.25	27.25	26.25	26.25
1.80	1.10	...	Radiore	41,150	1.15	1.20	1.10	1.20
2.50	1.30	...	Rainville ..	9,700	1.51	1.55	1.30	1.43
6.05	3.85	...	Rare Earth .	40,310	4.50	4.50	3.85	3.90
2.85	1.60	...	Rayrock	45,795	1.67	1.90	1.60	1.75
.05	.02	...	Red Cloud ..	nil	...	.02½	.04	.04
.39	.13½	...	Red Crest .	70,300	.26	.27	.24	.25
.06	.02½	...	Red Hawk ..	nil	...	.03	...	.04½
2.70	2.01	...	Reeves McD	1,100	2.25	2.40	2.25	2.25
2.60	2.25	*.10	Renabie	500	2.40	2.50	2.41	2.45
.75	.35	...	Rexspar	6,700	.36	.40	.35½	.38
.08	.02	...	Rice Lake .	11,500	.07½	.06½	.05	.06
.37	.21	...	R.-Rupununi	6,166	.21	.23	.21	.21½
1.20	.85	...	Rix-A'basca	7,650	.90	1.00	.92	.92
.25	.15	...	Roche L.L. .	6,600	.15	.15½	.15	.15½
.70	.32	...	Rockwin	33,885

DIVIDEND NOTICES

PROPANE CREDIT CORPORATION LIMITED

DIVIDEND NO. 3

A dividend of 1½c per share to Common and Class "A" shareholders, will be paid June 15th, 1956, to all shareholders of record as of March 31st, 1956.

By Order of the Board.

M. H. TINGVALL,
For F. J. SIBBALD,
Secretary.

Edmonton, Alberta,
May 1956

PROPANE CREDIT CORPORATION LIMITED

DIVIDEND NO. 4

A dividend of 1½c per share to Common and Class "A" shareholders, will be paid July 15th, 1956, to all shareholders of record as at June 30th, 1956.

By Order of the Board.

M. H. TINGVALL,
For F. J. SIBBALD,
Secretary.

Edmonton, Alberta,
May 1956.

ROBINSON, LITTLE & COMPANY, LIMITED

WINNIPEG — MANITOBA

DIVIDEND ON COMMON

NOTICE IS HEREBY GIVEN that a dividend of Twenty (20) cents a share has been declared on the Common Stock of the Company payable on the 30th day of June, 1955, to shareholders of record at the close of business on the 15th day of June, 1956.

By Order of the Board.

JACK L. MacDONALD,
Secretary.

Winnipeg, Manitoba,
29th May, 1956.

STANDARD PAVING & MATERIALS LIMITED

DIVIDEND NOTICE

Notice is hereby given that a quarterly dividend of 37½ cents plus an extra dividend of 50 cents per share has been declared payable July 2nd, 1956, to shareholders of record at the close of business on June 14th, 1956.

JAMES CARNWATH,
Secretary.

Toronto, Ontario, May 31st, 1956.

PIONEER GOLD MINES LIMITED

Notice is hereby given that the Directors of Pioneer Gold Mines of B. C. Limited (N.P.L.) today declared interim dividend of twelve and one-half cents per share payable on August 1st, 1956, to shareholders of record July 15th, 1956.

By Order of the Board.

P. S. STEVENSON,
Secretary-Treasurer.

Dated May 29th, 1956.

BIRD CONSTRUCTION COMPANY LIMITED

DIVIDEND NOTICE

Notice is hereby given that a dividend of Sixty (60c) cents per share as previously declared on the Company's outstanding Common Shares, will be paid on June 30th, 1956, to Shareholders of record on the books of the Company as at the close of business June 15th, 1956.

By Order of the Board.

JOHN LAWRIE,
Secretary-Treasurer.

Winnipeg, Manitoba,
May 30th, 1956.

WESTERN GROCERS LIMITED

NOTICE OF DIVIDENDS

Notice is hereby given that the following Dividends have been declared payable July 15th, 1956, to Shareholders of record June 15th, 1956:

Thirty-five Cents per Share on the Preferred Shares $20 Par $1.40 Series:

Fifty Cents per Share on the Class A Shares.

H. L. JORDAN,
Secretary.

Winnipeg, Man.,
June 1, 1956.

PHILLIPS ELECTRICAL COMPANY LIMITED

DIVIDEND NOTICE

Notice is hereby given that the Board of Directors of the Company has declared a dividend of twelve and one-half cents (12½c) per share on the outstanding capital stock of the Company for the quarter ending June 30, 1956, payable June 30, 1956, to Shareholders of record June 23, 1956.

By Order of the Board.

GEOFFREY PURDY,
Secretary.

BROCKVILLE, June 1, 1956.

LA LUZ MINES LIMITED

DIVIDEND NO. 16

NOTICE IS HEREBY GIVEN that a dividend of Five Cents (5c) per share has been declared by the Directors of La Luz Mines Limited, payable in Canadian funds on June 28, 1956, to shareholders of record June 15, 1956.

By Order of the Board.

A. G. FULTON,
Secretary.

May 31st, 1956.

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WHITE ROSE

CANADIAN OIL COMPANIES, LIMITED

Notice is hereby given that a dividend of fifteen (15c) cents per share has been declared on the Common shares without nominal or par value of the Company payable on the 15th day of August, 1956, to shareholders of record at the close of business on the 16th day of July, 1956.

By Order of the Board,

DOUGLAS ROBINSON,
Secretary

TORONTO, Canada,
May 30, 1956.

CANADIAN OIL COMPANIES, LIMITED

DIVIDEND NOTICES

THE B. GREENING WIRE COMPANY LIMITED

COMMON DIVIDEND NO. 76

NOTICE IS HEREBY GIVEN THAT at a meeting of the Directors of The B. Greening Wire Company, Limited, held in Hamilton on May 29th, 1956, a dividend of Five Cents per share on the Common Shares of the Company was declared payable July 3rd, 1956, to shareholders of record June 15th, 1956.

By Order of the Board,

A. M. DOUDA,
Secretary.

Hamilton, Ontario,
May 30th, 1956.

The Great West Saddlery Company Limited

COMMON STOCK

A dividend of Fifty Cents (50c) per share for the quarter ending June 30th, 1956, on the Common Stock has been declared and authorized to be paid on June 30, 1956, to all Common shareholders of record with the Transfer Agents of the Company at the close of business on June 14, 1956.

By Order of the Board.

J. S. HENDERSON,
Secretary.

Winnipeg, Manitoba,
May 31, 1956.

The Sherwin-Williams Company of Canada, Limited

Notice is hereby given that the one hundred and eightieth quarterly dividend of one and three-quarters per cent. (1¾%), being at the rate of seven per cent (7%) per annum, for the quarter ending May 31st, 1956, on the Preferred Stock of the Company, has been declared payable July 3rd, 1956, to shareholders of record the 8th day of June, 1956.

By Order of the Board

P. W. HOLLINGWORTH,
Secretary-Treasurer.

Montreal, Quebec,
April 12th, 1956.

GIANT MASCOT MINES LIMITED (N.P.L.)

DIVIDEND NOTICE

NOTICE is hereby given that a quarterly dividend of 1½c per share for the three-month period ending June 30th, 1956, on the outstanding common shares of the Company has been declared payable on and after the 3rd day of July, 1956, to holders of record at the close of business on the 15th day of June, 1956.

DATED at Vancouver, B.C., this 25th day of May, 1956.

D. M. M. GOLDIE,
Secretary.

GYPSUM, LIME AND ALABASTINE, CANADA, LIMITED

DIVIDEND NOTICE

Notice is hereby given that a dividend of thirty cents (30c) per share on the outstanding shares of the Company (after giving effect to the subdivision of shares effective 1st June 1956) has been declared, payable on first day of September 1956, to shareholders of record first day of August 1956, and that a dividend of thirty cents (30c) per share has been declared on the first day of December 1956, to shareholders of record at the close of business on the first day of November 1956.

By Order of the Board.

K. P. HAYES,
Secretary-Treasurer.

Toronto Ontario,
May 31, 1956.

Belding-Corticelli

Notice of Preferred Stock Dividend No. 166

A dividend of one and three-quarters per cent (1¾%) has been declared on the Preferred Stock of this Company, for the three months ending June 30th, 1956.

The above dividend is payable on the 1st day of August, 1956, to shareholders of record at the close of business the 30th day of June, 1956.

By Order of the Board,

D. F. POLLOCK,
Secretary-Treasurer.

CANADA PERMANENT MORTGAGE CORPORATION

Notice is hereby given that a Dividend of Seventy-five Cents per share on the paid-up Capital Stock of the Corporation for the current quarter, and an extra Dividend of Ten Cents per share have been declared, and that both Dividends wil be payable Tuesday, the Third day of July next, to Shareholders of record at the close of business on the Fifteenth day of June 1956.

By Order of the Board.

GEO. D. LAVEROCK,
Secretary.

Toronto, May 16th, 1956

Commodities

	Latest week	Previous week	Same week last yr.
Cattle	$19.62	$18.89	$19.50
Hogs	24.33	23.37	26.25
Copper, lb.	.46	.46	.36
Sugar, raw, lb.	.0550	.0550	.0550
Coffee, lb.	.57¼	.56¾	.52¼
Hides	.15½	.15½	.13
Weekly Commodity Indices			
Dow Jones	150.72	153.20	154.34
U. S. Labor	114.4	114.3	110.2
Monthly Commodity Indices			
Canada (D.B.S.)			
Retail (Apr.)†	116.8	116.4	116.1
W'Sale (Mar.)	222.3	222.2	217.4
C. F'm Pro (Mar.)	197.5	193.9	207.0
U. S. (Feb.)	112.3	•111.9	110.4
Gt. Brit. (Dec.)	348.7	•348.1	335.5

Note: †Cost-of-Living Index Revised to the Base of 1949=100.

Base of price quotations is as follows: Cattle-Steers, good up to 1,000 lb., to price Toronto Copper-electrotypes, New York Coffee No 4 Santos, Spot Raw Sugar 96 degrees centrifugal c.i.f.

•Revised

DIVIDEND NOTICES

THE CANADIAN BANK OF COMMERCE

DIVIDEND NO. 278

NOTICE is hereby given that a dividend at the rate of thirty-five cents per fully-paid share on the outstanding Capital Stock of this Bank has been declared for the quarter ending July 31, 1956, payable at the Bank and its branches on August 1, 1956, to shareholders of record at the close of business on June 30, 1956.

By Order of the Board.

N. J. McKINNON,
General Manager.

Toronto, May 25, 1956.

T. H. ESTABROOKS CO. LIMITED

Notice is hereby given that the quarterly dividend (26 cents per share) on the 4.16% Cumulative Redeemable Sinking Fund Preferred Shares (par value $25.00 per share) of the Company has been declared payable July 15, 1956, to shareholders of record at the close of business June 15, 1956.

By Order of the Board.

J. B. BRYDON, C.A.,
Secretary-Treasurer.

Saint John, N.B., 1st June, 1956.

DOMINION GLASS COMPANY LIMITED

Notice is hereby given that a dividend of one and three-quarters percent (1¾%) has been declared on the PREFERRED STOCK of the Company for the quarter ending the 30th day of June 1956.

Notice is also hereby given that a dividend of Thirty-Five Cents (35 cents) per share has been declared on the COMMON STOCK of the Company for the quarter ending the 30th day of June 1956.

The above dividends will be paid on Monday, the 16th day of July 1956, to shareholders of record at the close of business Thursday, the 28th day of June 1956.

By Order of the Board.

T. B. KING,
Secretary.

Montreal, 29th May, 1956.

POWER CORPORATION OF CANADA LIMITED

The Board of Directors has declared the following dividends:

4½% Cumulative Redeemable First Preferred Stock (Par Value $50)

No. 7, Quarterly, 56¢ per share;

6% Non-Cumulative Participating Preferred Stock (Par Value $50)

No. 116, Quarterly, 75¢ per share; payable July 16th, 1956 to holders of record at the close of business on June 20th, 1956.

No par value Common Stock

No. 58, Quarterly, 50¢ per share; payable June 30th, 1956 to holders of record at the close of business on June 5th, 1956.

V. J. NIXON,
Secretary.

Montreal, May 25th, 1956.

THE STERLING TRUSTS CORPORATION

DIVIDEND NOTICE

NOTICE is hereby given that a dividend of 2% for the current quarter ending June 30, 1956, has been declared on the paid-up capital stock of the Corporation, and will be payable on July 3, 1956, to shareholders of record at the close of business on June 18, 1956.

By Order of the Board.

E. R. MEREDITH,
Secretary.

MONARCH MORTGAGE and INVESTMENTS LIMITED

DIVIDEND NOTICE

NOTICE is hereby given that a Dividend of One Dollar ($1.00) per share has been declared on the Common Shares of the Company, payable June 30th, 1956, to shareholders of record Wednesday, June 20th, 1956.

By Order of the Board.

E. M. DUTHIE,
Secretary.

Toronto, May 31st, 1956.

PEOPLES CREDIT JEWELLERS LIMITED

DIVIDEND NOTICE

Notice is hereby given that the regular half-yearly dividend of $3.00 per share on the outstanding Six Percent $100.00 Par Value Cumulative Redeemable Preferred Shares of the Company, covering the period January 1st, 1956, to June 30th, 1956, has been declared payable on June 30th, 1956, to shareholders of record at the close of business June 15th, 1956.

By Order of the Board.

BERTRAND GERSTEIN,
Secretary.

DATED at Toronto this 1st day of June, 1956.

The Bowater Corporation of North America Limited

DIVIDEND NOTICE

NOTICE IS HEREBY GIVEN that a dividend of .74 per cent, Thirty-seven cents (37¢) per share has been declared on the 5% Cumulative Redeemable Preferred Shares of $50 par value of the Corporation for the period 8th May 1956 to 30th June 1956, payable on 3rd July 1956 to shareholders of record 8th June 1956.

MONTREAL, QUEBEC.

By Order of the Board
S. MANN
Secretary-Treasurer.

Bowaters

Corporation Bonds

(Supplied by Investment Dealers Assn. of Canada)

June 5, 1956

Public Utility Issues	Int. Rate %	Due	Bid	Ask.	Prev. Week Bid
Alg. Cen. H.B.R.	5	'59	156	159	156
Bell Tele	3¼	'79	93	96	93
Bowater Pr. Co.	3¼	'80	92	95	92
Braz. Trac. L. & P	4½	'70	83	86	83
B. C. Electric	3¼	'67	91	94	91
Do.	3½	'75	89	92	89
Do.	3½	'80	91½	94½	92
Do.	4½	'79	101	104	101
B. C. Telephone	4½	'75	99	102	99
Calgary Power	3¼	'72	91	...	91
Consumers' Gas	4½	'74	93	96	94
Gatineau Pr. D	3¼	'70	91½	94½	91
Gt. Lakes Pwr.	4½	'75	96	99	96
Maclaren-Quebec Power	3	'69	88	91	88
Mex. Lt. & Pwr.	5	'75	90	...	90
Nat. Lt. & Pwr.	4½	'61	96	99	96
North. Que. Pr.	4½	'67	94	97	94
Power Corp.	3¼	'67	90	93	90
Quebec Power	3	'82	93	96	93
St. Maurice Pr.	3½	'70	90	93	90
Shaw. W. & Pr.	3	'71	88	91	88
Do.	3½	'73	92½	95½	92½
Wpg. Electric	3½	'71	96	99	96
Industrial Issues:					
Abitibi Pr. P.	4	'74	95	98	95
Acadia-At. Sug.	4	'74	91	94	93½
Aluminum Co.	4½	'73	99½	102½	99½
Bathurst P. & P.	5½	'73	98½	101½	98½
B A. Oil	3½	'74	92	95	92
Burns & Co.	4	'63	95	98	95
Canada Bread	4½	'67	92	95	93
Canada Cement	3½	'75	92	95	92
Can. Steamship	4	'66	96	99	96
Can. Breweries	4½	'79	101	104	101
Can. Canners	3½	'70	93	96	91
Can. Celanese	3	'62	90	93	90
Can. Chem. Co.	5½	'71	98	101	96
Can. Industries (1954) Ltd.	3½	'74	93	96	93
xCan. Oil	4	'76	93	96	93
C.P.R.	3½	'72	95	98	95
Can. West. Lum. Cockshutt Plow Co.	4½	'65	91	94	91
Columbia Cell.	5	'68	97	100	97
Dom. Fd. & Stl.	4½	'69	97	100	96
Dom. Tar & Ch.	4½	'67	101	104	101
Dryden Paper	4½	'74	98	101	99
T. Eaton Accept.	4½	'74	99	102	99
E. B. Eddy	4	'74	92½	95½	92½
Elk Falls Co.	5	'75	97½	100½	99
G. M. Accept.	4	'64	97	100	97
Gunnar M. Ltd.	5	'60	99	102	99
Hudson Bay Oil & Gas	4	'75	92	95	92
xHusky Oil	5	'69	95	98	95
Imp. Tobacco	3	'70	89	92	90
Imp. Oil	3¼	'75	93	96	93
Indust. Accept.	4½	'74	93	96	93
Irving Oil Co.	5½	'67	99	102	100
Loblaw Groc.	4	'75	92½	95½	92½
Maple L.M.	3½	'63	92	95	92
Massey-Harris	5	'67	99	102	99
Monarch Knit.	4½	'71	73	76	73
N. S. Stl. Coal	3½	'63	95	98	95
•Ont. Jockey Cl.	5½	'72	98	101	98
Price Bros.	3½	'66	91½	94½	91½
Pronto Uran. Mines Ltd.	5	'60	95	98	95
St. Law. Corp.	5	'72	100	103	100
Silverwood D.	4	'71	94	97	94
Simpsons Ltd.	4½	'73	98	101	98
Simpsons-Sears Ltd.	4½	'79	97	100	97
Steel Co. of Can.	2¾	'67	90	93	90
Traders Finance	5½	'69	100	103	101
Union Accept. C.	5½	'68	97	100	98
Un. Grain Grow.	3½	'70	89	92	89
Weston, Geo.	4½	'68	99	102	99
xEx wts.					
•Cum.wts.					
CONVERTIBLE ISSUES					
Ajax Pete. Ltd.	5	'62	92	95	92
Anglo-Am. Exp.	5½	'75	101	...	101
Atlas Steels	5	'67	109	112	109
Braz. Traction	4½	'71	82	85	82
Can. South Oils	5	'61	81	85	81
C.P.R.	5½	'66	103	106	104
Do.	4	'69	106	109	106
Cdn. Petrofina	4	'72	123	126	121
Cent. Leduc Oils	5	'65	90	93	90
Cockshutt Farm	5	'68	92	95	92
Dom. Stl. & C.	4½	'70	113	116	111½
Dom. Textile	4	'66	92	95	92
Jupiter Oils	5	'67	90	95	90
Kroy Oils	5	'67	97	100	97
N. Concord D.	5½	'65	91	96	91
N. Superior Oils	5	'64	96	99	96
Pathfinder Pete 3-5		'62	85	90	85
Power Corp.	4½	'68	165	...	172
Scurry Oils Ltd.	5	'64	93	97	93
Silverwood Dair.	5½	'72	110	115	110
Traders Finance	4½	'69	110	118	110
Trans Emp. Oil	5	'66	92	...	92
Do.	5½	'67	97	...	97

Unlisted Mines & Oils

(Compiled from Quotations by G. E. Leslie & Co., Montreal)

June 4, 1956

Stock	Bid	Offer	Stock	Bid	Offer
King Cop	.10	.15	Starlight	.15	.20
Lassie	.05	.08	Titanium	1.00	1.25
Lun-Echo	.45	.50	Wesley	.08	.11
Lyndhurst	.30	.35	Wm Leys	.10	.13
Main Oka	.23	.27	Young Da	.11	.15
Mid Chib	.65	.70	Abeta	.11	.14
Mil'r Cop	.35	.40	Adnor	.03	.05
Montgom	.04	.06	Auger	.46	.49
Natl Mal	.15	.18	Belmont	.10	.15
Nw Lorie	.15	.18	Batemn B	.65	.68
Nw Mal	.03	.05	Bluegrass	.11	.15
Nw Aug'r	.05	.07	Bornite	.45	.55
New Pen	.06	.10	Brosn Ch	.62	.65
Nipiron	.25	.30	Cdn Jav	.13¼	.14¼
Norbeau	.80	1.00	Cdn Shield	..	1.20
Normiska	.40	.46	Cent Mg	1.50	2.00
Oklend	.08	.12	Chess Ur	—	.70
Ont Nic n	.36	.41	Clinger	.05	.10
Orefield	.40	.44	Cont Cop	.35	.40
Ormonte	..	.55	Cop Val	.40	.45
Pascalis	.07	.10	Dawmac	1.25	1.50
Pennbec	.44	.49	Derogan	.04	.08
Power Ur	..	.15	Dupont	.40	.45
Provinc'l	.03	.06	Flu Bar	1.00	1.20
Quedon	.10	.20	Garland	.10	.20
Quejo	.10	.15	Glencona	.07	.08
Rand Mal	.05	.07	Goldmaq	.06	.09
Red Diam	.78	.82	Imp Min	.10	.13
Roymont	.10	.20	Indep	.13	.17
St Law	.60	.75	Inter Asb	.05	.10
Scott Ch	.11	.14	Int Lith	1.20	1.40
Selby Mg	.41	.47	Kamiac	.08	.11
Sth Bach	.38	.43	Kenmac	.20	.25
Suzor Cop	.30	.35	Lake Ch	.43	.47

Investment Trusts

	Divd. pd. cents	Bid $	Ask $
All-Can. Comp. Fund	(20.5¢)	5.15	5.60
All-Can. Div. Fund	11(17.25)	4.82	5.24
Balanced Mut.	3(15)	5.20	5.71
Can. Invest. Fund	8(34)	9.17	10.06
Canafund	(110)	35.19	36.95
Champion Mut. Fund		5.25	5.77
Com'wealth Inter.	13(28)	7.99	8.78
Corporate Inv.	9(26)	8.77	9.53
Diversified Inc. Shs. B	(12)	4.05	4.40
Dom. Equity Inv.	(42)	14.45	14.75
Grouped Inc. (new)	5(10)	3.86	4.22
Growth Oil & Gas		7.17	7.53
Investors Mut.	7(30)	10.03	10.85
Leverage Fund	10(20)	5.79	6.36
Mut. Ac. F.	(23.53)	6.48	7.04
Mutual Income	6.3(23.42)	5.26	5.71
Resources of Can.	(6)	7.54	...
Sup'vised Amer.	4(21)	6.09	6.15
Sup'vised Executive	(1955)	35.90	...
Sup'vised Executive	(1956)	29.46	30.76
Sup'vised Gr'th Fund	(4¢)	2.33	2.35
Sup'vised Inc. Fund	4(22)	4.42	4.46
Timed Invest.	(20)	†5.30	*5.30
Trans-Can. A	(83)	27.40	...
Do. B	(96.6)	30.25	...
Do. C	(19)	6.05	6.45

†Less or (*) plus stock exchange commission.

▲Paid or payable in 1956 total paid in 1955 in parentheses.

■Plus stock divd.

♦Reinvested.

Municipal Bonds

June 5, 1956

	Coup.	Matur.	Bid	Ask	Yld.
	%		$	$	
Calgary	3½	'69	96½	97½	3.75
Edmonton	3½	'69	94½	96½	3.85
Halifax	3½	'66	96	97	3.85
Hamilton	3	'67	92½	93½	3.70
Montreal	3	'70	88½	89½	3.95
Moose Jaw	3½	'60	97½	98½	3.85
Ottawa	3¼	'68	93½	95½	3.70
Regina	3	'64	91½	93½	3.85
St. John, N.B.	3½	'65	95½	96½	3.95
Toronto	3	'68	91½	93½	3.65
Vancouver	3¾	'69	97	100	3.75
Victoria	3¾	'68	96	100	3.75
Windsor	2¾	'75	78	80	4.25
Windsor	3½	'75	87½	89½	4.25
Windsor	2½	'75	74½	76½	4.25
Winnipeg	3	'69	90½	92½	3.70

Foreign Exchange Rates

Noon Value in Canada

Week Ended June 1, 1956

	U.S.$		U.K.£
Mon.	98	30/32	277⅝
Tue.	98	28/32	277⅜
Wed.	98	29/32	277⅜
Thu.	98	30/32	277⅜
Fri.	99		277 4/8
Ave.	98	149/160	277 18/40

U.S. rates reported by Bank of Canada.

U.K. bid rate reported by Toronto-Dominion Bank.

FLEET MANUFACTURING LTD. — an additional 150,000 common shares have been listed, bringing total listing to 987,000 shares, being total number listed and outstanding.

Unlisted Stocks

(Compiled by Intercity Securities Corporation Limited, Toronto)

June 4, 1956

	Bid	Ask.
Algoma C. & H. B. R. com.	30.50	32.00
Do. pfd.	1.50	....
Allens Toronto Units	43.00	....
Anglo Can. Telephone A	25.75	26.75
Bowater Ltd.	7.20	7.40
Bowes Ltd. 1% pfd.	.75	.90
Brinton Peterboro Carpet	50.00	....
British American Assce.	126.00	129.00
B. C. Sugar	28.00	30.00
Brit. Mortgage & Trust	215.00	230.00
B. C. Telephone 4½% pfd.	93.00	98.00
Can. Cr. Stone 6% pfd.	97.00	100.00
Can Cons. Grain Units	85.00	....
Do. common	5.00	8.00
Can. Delhi Pete	6.75	7.25
Can. Foreign Secur.	12.00	13.50
Can. Insurance Shares	100.00	112.00
Carlton Club	130.00	....
Cawthra Apts.	37.00	....
Chase, Dr. A. W. com.	1.75	2.25
Colonial Steamships com.	185.00	195.00
Commercial Finance	45.00	....
Concourse Bldg. V. T.	51.00	....
Crain, R. L. pfd.	.80	....
Crown Life Insce.	146.00	152.00
Debent. & Secur. 5% pfd.	92.00	94.00
Detroit Internat. Bridge	19.00	21.00
Dom. Can Gen. Insce.	80.00	....
Dominion Life	950.00	....
Dom. Linseed Oil pfd. & c.	2.75	....
Dom. Mfr's. com.	1.25	....
Do. pfd	90.00	....
Dover Industries	10.75	11.50
Eastern Canada Savings	21.00	....
Eastern Trust Co.	31.25	32.25
Essex Packers common	2.00	3.00
Do. pfd.	43.00	....
Goderich Elevator	22.75	....
Granite Club	14.25	14.75
Gt. Brit. & Can. Inv. com.	13.25	14.25
Do. pfd.	115.00	120.00
Great Lakes Power com.	19.50	20.75
Great West Life Assur.	248.00	252.00
Gurr, N. Amer. fully pd.	430.00	450.00
Do. 20% pd.	92.00	....
Halifax Insce	17.50	18.25
Halton & Peel Trust	10.00	11.00
Highland Dairy pfd.	40.00	....
Homewood Sanitarium	90.00	....
Hudson's Bay Co.	24.50	25.00
Humber Amuse. Pier	.35	.50
Humberstone Shoe	8.25	9.00
Indust. Mort. & Trust	72.00	....
Ingersoll Mach. 4% pfd.	90.00	94.00
Ingersoll Mach. Tool B	5.25	6.00
Ingram & Bell pfd.	103.00	....
Inland Natural Gas	5.75	6.00
Jenkins Bros. com.	62.00	....
Lambton Golf Club	315.00	....
Lambton Loan	82.00	85.00
Lawson & Jones 1% pfd.	.75	....
Lond. Can. Inv. $3.00 pfd.	49.00	....
Do. A	41.50	....
London Life Insce.	190.00	200.00
Lord Simcoe Hotel A	2.25	2.63
Manufacturers Life	268.00	275.00
Monarch Life 60% pd.	285.00	....
Morrow Screw	40.00	....
National Life	300.00	350.00
Nat. Sewerpipe Units	14.00	17.00
Niagara Lower Arch Bridge	66.00	70.00
Northern Telephone	4.50	4.80
Nova Scotia Light rights	.14	.17
Nova Scotia Trust	20.00	....
Oakville Golf Club	20.00	30.00
Oakville Wood 6% pfd.	89.00	95.00
Paramount Oshawa Th.	12.50	....
Park Lawn Cemetery	1.75	....
Phillips Electrical	15.25	16.25
Prairie Roy. Trust Units	2.25	....
Prudential Trust	16.50	18.00
Rapid Grip Batten pfd.	99.00	102.00
Reliance Pete A & B	22.00	....
Do. pfd.	44.00	48.00
Robin Jones Whitman pfd.	22.00	24.00
Royal Oak Dairy B	3.00	....
Sherbrook Trust	150.00	....
Sincennes McNaught Line	3.00	....
Skyway Drive-In Th.	1.40	1.70
Sovereign Life 25% pd.	92.00	....
Standard Fuel com.	2.50	....
Do. pfd. $2.25	39.50	42.00
Summit Golf	18.00	25.00
Sun Life Assce.	287.00	302.00
Surpass Petrochemicals	1.90	1.93
Teleflex Ltd	16.50	17.50
Thorncliffe Park	6.50	7.00
Toronto & Lond. Inv.	2.00	2.30
Toronto General Insur.	25.00	30.00
Tor. Medical Arts Bldg.	50.00	....
United Can Shs.	21.00	22.00
Universal Cooler pfd.	105.00	....
Waterloo Mfg.	7.00	8.00
Waterloo Trust	31.00	....
Westcoast Trans. V.T.	15.50	16.00
Western Assurance	79.00	82.00
Western Life	80.00	90.00
Wood lexander 6% pfd.	91.00	95.00

(By Kippen & Company Inc., Montreal)

Algoma C. & H. B. R. com.	31.00	32.00
Cons. Theatres A	6.00	7.00
Do. B	2.00	3.00
Cuban Can. Sugar	10.00	....
Dupuis Freres pfd.	22.00	23.00
Guar. Co. of North Am.	430.00	450.00
Hart Battery com.	8.00	10.00
Hudson's Bay Co. (new)	24.50	25.50
London Canadian A	41.00	....
Maritime Tel. & Tel.	18.00	19.50
Mtl. C. & Dist. Svgs. Bank	60.00	62.00
New Brunswick Tel.	14.00	15.00
N. S. Light & Power	13.00	14.00
Ont. & Que. R. 5% Cap. stk.	120.00	....
Prov. Bank of Can.	29.00	30.00
Prudential Trust Co.	18.00	21.00
Sherbrooke Trust Co.	150.00	....
Strategic Materials	30.00	32.00
Sun Life Assurance Co.	290.00	300.00

MACMILLAN & BLOEDEL LTD. during April converted 566 Class A shares into same number of Class B shares. At April 30 there were 38,781 A shares and 5,246,757 B shares outstanding.

Government Bonds

June 5, 1956

(Supplied by Investment Dealers' Assoc. of Canada)

%	Due	Bid	Ask
Govt. of Can. Bonds:			
3	Jan. 1959	98½	98¾
3	June 1960	97½	97¾
3	Feb. 1962	96½	97¼
3	Oct. 1963	96	97
3	Sept. 1966	95	96
3	Perpetual	•89½	90¼
2¾	June 1968	92¼	93¼
3¼	Jan. 1975/78	101¼	102¼
3¼	June 1974/76	96	97
Can. Nat. Railways:			
3	Jan. 1959	97¾	98¾
2¾	Jan. 1967	91¾	92¾
3	Jan. 1966	94¼	95¼
2¾	Sept. 1969	91¾	92¾
4¼	July 1957	•100¼	101¼
Grand Trunk Pacific Rly.:			
3	Jan. 1962	•96	98
4	Jan. 1962	•99	101
Inc. Bank of Reconstruct. & Devel't.			
3¼	Apr. 1965	94	95¼
3¼	June 1969	96	97¼

Prov. Govt. Bonds			
Alberta:			
2¾	Mar. 1970	•91¼	94¼
British Columbia:			
4¼	Jan. 1969	•106	108¼
3	Dec. 1960	96¼	97¼
3	June 1964	94	95½
5	Sept. 1959	•103¼	104¼
B. C. Power Comm.:			
3	Oct. 1967	92	94
Manitoba:			
4	Dec. 1957	•100	100¼
5	Dec. 1959	•103¼	104¼
5¼	July 1958	103	104¼
4	Oct. 1965	91¾	93¼
4¼	Dec. 1956	•99½	101
New Brunswick:			
4¼	Apr. 1961	•102¼	103¼
2¾	June 1966	87¼	88¼
3¼	May 1957	98¼	99¼
3¼	Sept.

VICKERS LIMITED

A YEAR OF ACHIEVEMENT

EFFORTS TO MAINTAIN PRICE LEVELS IN SPITE OF COST INCREASES

LT.-GEN. SIR RONALD M. WEEKS ON EXPANSION POLICY

The EIGHTY-NINTH ANNUAL GENERAL MEETING of Vickers Limited was held yesterday in London, England.

LT.-GEN. SIR RONALD M. WEEKS, K.C.B., C.B.E., D.S.O., M.C., T.D., the chairman, presided and, in the course of his speech, said:—

I have applied several epithets to some of our year's trading results in the last decade, and perhaps one might call 1955 a "Year of Achievement," a year in which we have seen an increase in turnover and an increase in gross profit.

As a result of vast capital expenditure in recent years it was not unreasonable to expect an increase in gross profit and the increase in dividend is entirely justified; even now the gross return of 13.9 per cent. on capital employed is low by any criterion. It will be obvious that a high proportion of our increase in gross profit is due to the fact that the English Steel Corporation results for a whole year are included. Almost all sections of the Group have had good results and the increase in turnover of the Aircraft Company has been outstanding.

ORGANIZATION

We have announced our entry into the atomic energy field by the formation of a subsidiary, Vickers Nuclear Engineering Limited. What in fact is happening is that we, with the collaboration of Rolls-Royce Limited and Foster Wheeler Limited are going ahead on the development and construction of a vessel for the Admiralty in which the source of heat will be a nuclear reactor.

Rear-Admiral Sir Edward Rebbeck has joined our organization as the chief executive in charge of the project.

PRODUCTION

Once again there has been little change this year in the volume of armament work within the Group. In meeting the changing requirements of the Forces, our works and shipyards continue to make important contributions to the National Defence programme.

Vickers-Armstrongs (Shipbuilders) Limited—On May 9 this year Lady Eden launched at our naval yard at High Walker, the Empress of England, a passenger liner for Canadian Pacific Steamships.

Last month, the experimental submarine Explorer was handed over for trials.

The upward trend of merchant shipbuilding orders, to which I referred last year, has been maintained and both building yards will be heavily engaged for some years to come.

Vickers-Armstrongs (Engineers) Limited—The demand for heavy engineering products remains high and all works of this company have been fully employed throughout the year; orders received should ensure the maintenance of this position throughout 1956.

Following discussions with one of our important friends in the motor car industry, we have decided to manufacture at the Elswick Works a complete range of press tools, notably dies used in the production of pressings for motor car bodies. We are equipping a separate engineering shop for this purpose and the production will be complementary to our manufacture of British Clearing Presses.

Sulzer Bros. (London) Limited have placed with Barrow Works an order for 30 1,250 h.p. diesel traction engines. This represents a large portion of the first stage of the requirements of British Railways to re-equip their complete system with diesel electric locomotives.

Vickers-Armstrongs (Aircraft) Limited—The main part of the works at Weybridge continues to be fully occupied with the production of the Valiant bomber. Details of the number of aircraft delivered and of the production programme may not be given, but I can say that the delivery rate of this, the R.A.F.'s largest jet bomber has been very high and represents a considerable planning and manufacturing achievement. The Air Ministry announced in March that three Valiant squadrons were then already formed, and that a fourth was, at that time, in process of formation.

At the Supermarine Works production of the Swift Mark 5 is going ahead. An R.A.F. squadron of Swifts has been formed and further deliveries of the aircraft in quantity are now taking place. The Swift Mark 5 is expected to be a most successful aircraft in the Fighter/Reconnaissance role.

The Supermarine N.113 Naval aircraft made its first flight in January and has since successfully completed deck landing trials on H.M.S. Ark Royal.

In March the order book for Viscounts reached 300 and in the same month the one hundredth machine was completed and delivered for service. The production of Viscounts, both at Hurn and at Weybridge, is now building up to a satisfactory rate, despite the fact that during the year a new type, the 800 series, has been introduced into the production line.

Viscounts are now in service with 13 airlines—four of which fly into North America. Reports of the operations of some of these companies for 1955 are the best evidence of the profitability and passenger attraction of this aircraft.

As I have mentioned, the Viscount 800, or Viscount Major as it is to be called by B.E.A., is now coming into production in new erecting shops recently built at Weybridge. There is reason to believe that this series will be even more economic to operate than the present Viscounts.

In March, 1958, we plan to introduce another new type — the Viscount 810, capable of cruising at 365 m.p.h., which, by a change of power plant, will give us the Viscount 840, capable of cruising at 400 m.p.h.

The detailed design of the Vanguard is well under way and a number of airlines in addition to B.E.A. have already shown what we believe to be a solid interest.

The guided weapon team is continuing its important and urgent work on the Ministry of Supply programme, both in this country and in Australia. I only regret that I am unable to lift the curtain even a small way on the story of this effort, but this is also true of much of the work of the research and development section.

Steel—All the companies and the two original subsidiaries, Taylor Bros. and The Darlington Forge, have had a most successful year. The steel output of 565,000 tons, though not a record, is very satisfactory.

Perhaps the most important news item is the fact that we intend to develop the new site at Tinsley for still larger forgings and castings. The scheme, which has the general approval of the British Iron & Steel Federation and the Iron & Steel Board, will cost about £15 million over a period of five-six years.

The trading prospects for 1956 appear to be good.

Other Home Subsidiaries and Associated Companies—The first rail cars built by Metropolitan-Cammell, to which I referred last year, went into service on the Bury-Bacup line of British Railways on February 6 last, and from all reports received it would appear that the traffic returns there have shown a great improvement over those which obtained with the old steam stock. The order book is at a high level and the works of the Metropolitan-Cammell group will be fully employed for some time to come. Steel supplies continue to be difficult.

Prior to nationalization The Patent Shaft & Axletree Co. Limited was owned by Metropolitan-Cammell. Recently negotiations were completed with the Iron and Steel Holding and Realisation Agency for the re-purchase of the shares in the company by Cammell Laird (75 per cent.) and Metropolitan-Cammell (25 per cent.). You will be aware that Cammell Laird are our partners in Metropolitan-Cammell.

A scheme for reconstruction of the Patent Shaft Works is to be put in hand and this will cost about £8,000,000. To provide the money for this the Finance Corporation for Industry has agreed to make a loan of £6,000,000. Cammell Laird and Metropolitan-Cammell will make loans of £1,200,000 and £400,000 respectively, and we will assist to the extent of a further loan of £400,000, if required.

Exports and Overseas Interests—Exports of United Kingdom companies in the group including English Steel Corporation and Metropolitan-Cammell accounted for 20 per cent. of our total turnover in 1955.

Metropolitan-Cammell received in February an order for 1,550 wagons for New Zealand at a total value of over £1,300,000. In March last, His Excellency Senhor Samual de Souza-Leoa Gracie, C.B.E., the Brazilian Ambassador, visited Metropolitan-Cammell's works where he had the opportunity of seeing the electric coaches built by our associated company for the Central Railway of Brazil, and which are being supplied in conjunction with our friends, Metropolitan-Vickers.

Vickers-Armstrongs Incorporated, the subsidiary set up in Washington to hold spares and provide service to our North American Airline customers, is getting into its stride, and will shortly move to large and more convenient quarters close to Washington Airport.

Canadian Vickers Limited—An important development was disclosed in the announcement which appeared in the Press a few days ago to the effect that we had re-acquired a controlling interest in Canadian Vickers Limited, which was founded by us in 1911, operated until 1927, and then sold.

It is hoped that this renewal of a former interest in Canadian industry will prove of mutual benefit to Canada itself and to the stockholders of both Canadian Vickers and Vickers.

Canadian Vickers, whose main activities are located in the Province of Quebec, have a high reputation as general engineers, shipbuilders and ship repairers, and there is no doubt that the technical knowledge and experience of the companies of the Vickers group will assist development in Canada.

The essence of the new purchase is that at least 45 per cent. of the shareholding of Canadian Vickers remains in Canadian hands and no change is contemplated in general policy or management. Mr. J. E. Labelle, Q.C., O.B.E., and Colonel O. H. Barrett, O.B.E., the chairman and president respectively of Canadian Vickers, will continue to serve and some of the Vickers directors will join the Canadian board.

A further possibility of expansion within the Commonwealth has been disclosed in the recent Press announcement that Vickers Limited, Babcock & Wilcox Limited and The Associated Cement Companies Limited of India are carrying on negotiations regarding the possibility of setting up a joint company in India to manufacture cement-making machinery, boilers and other engineering products.

ACCOUNTS

We attempt each year to improve the accounts both in appearance and by increasing the amount of information disclosed, and this year you will have observed that we have made a radical change in the form of the accounts in a manner which will, I hope, bring the essential features more readily to your notice. From the group profit and loss account you will see that the total group profit before taxation amounted to £12,286,000, and after taxation to £6,348,000. After providing for dividends you will see that the retained profit of the year amounted to £3,574,000, and that after making transfers to reserves the unappropriated profit of the year amounted to £1,366,000.

From the group balance sheet it is possible to see that the total capital employed, including debenture and loan stocks, amounted to £94,242,000, being an increase of nearly £4,000,000 on the previous year.

The Order book at the end of 1955 was £301,000,000; the turnover in 1955 was in round figures £131,000,000. These figures are after eliminating inter-Group trading and exclude Metropolitan-Cammell.

The turnover figures, compared with those I gave you last year in respect of 1954, in the important activities are approximately as under:

Shipbuilding and Ship repairing, 14 per cent. (19 per cent. in 1954).
Aircraft 31½ per cent. (20 per cent. in 1954).
Steel, 22 per cent. (25 per cent in 1954).
General Engineering, 32½ per cent. (36 per cent. in 1954).

PROSPECTS

Our future prospects must be closely related to the degree of success which her Majesty's Government can achieve in dealing with inflation.

We are endeavouring to assist the brake on inflation by maintaing our price levels wherever possible, despite the general increase in wage rates.

At the moment it is, however, reasonable to expect that on balance 1956 will be much the same as 1955, although there are always one or two unexpected setbacks, which can sometimes assume large importance.

THE CHAIRMANSHIP

In giving up the chair of this great company, which I do on the last day of this month, I should like to put on record my deep appreciation of the help, the kindness and the patience which has been extended to me so freely by my colleagues, the staff and all the employees I have been honoured in leading.

The directors have asked me to remain on the board, and I shall be very happy to do so.

In handing over to Lord Knollys, I would congratulate the board and the stockholders on the fact that the leadership now devolves on a man with wide experience in a variety of fields of activity and I know I am speaking for all in wishing him happiness, good health and success in his task.

The report and accounts were adopted.

CHAIRMAN'S REVIEW

The following are extracts from a detailed review by the chairman of the groups' activities circulated with the report and accounts for the year ended December 31, 1955:—

AVIATION

Civil Aircraft—New customers during 1955 included the Union of Burma Airways, the Indian Airlines Corporation, British Overseas Airways Corporation, K.L.M., the New Zealand National Airways Corporation, Transair Ltd. and Continental Air Lines. In addition, further *Viscounts* were ordered by British European Airways, Trans-Australia Airlines, Trans-Canada Air Lines, and Fred Olsen Airtransport Ltd. They were also sold into a new field —that of the executive aircraft, and two customers for *Executive Viscounts* were the United States Steel Corporation and the Standard Oil Company of California.

Many important *Viscount* events took place in 1955. In April, Trans-Canada Air Lines inaugurated the first propeller-turbine air services in North America and operated the first such services into the United States. The passenger preference for this aircraft in both Canada and the U.S.A. was most marked and throughout the year Trans-Canada Air Lines *Viscounts* have operated at remarkably high load factors. In July, Capital Airlines began the first domestic *Viscount* services inside the U.S.A. and have also achieved outstanding success. Trans-Australia Airlines completed their first full year of services and, like Trans-Canada Air Lines and Capital, have reported average passenger loads of over 80%.

Two sales of particular interest in 1955 were those to K.L.M. and to Continental Air Lines, both for V.800 series aircraft. The order from K.L.M. marked the first occasion on which that great airline had turned to Great Britain for major equipment, while Continental became the second U.S. domestic airline to purchase Viscounts. The comprehensive spares and servicing organization in the United States is administered by a subsidiary of Vickers-Armstrongs Ltd., Vickers-Armstrongs Incorporated, with headquarters at Washington, D.C.

SHIPBUILDING

Good progress has been made with the building of the large passenger ship *Empress of England*, for Canadian Pacific Steamships Limited, which is scheduled for launching on May 9th.

RAIL AND ROAD TRANSPORT

Important export orders obtained against severe world-wide competition by Metropolitan-Cammell Carriage & Wagon Company Limited included 349 coaches for the Reef electrified services of the South African Railways and nearly 2,000 wagons for India as an extension to the existing American dollar aid contract.

ENGINEERING

Earth-moving Equipment — The VR. 180 tractor has now earned, by practical usage in many parts of the world, an improved reputation for reliability and performance. Considering past difficulties and intense American competition, satisfactory progress has been maintained. The development of improved features and new marks of the "C" type tractor continues and, in addition, a smaller tractor is approaching the production stage.

SPECIALIZED PRODUCTS

Mathematical and Optical Instruments—The Company's branches in South Africa have produced satisfactory results, whilst in Canada, though the turnover has been materially increased, conditions are difficult due to severe competition for the available business. During 1955, a number of visits overseas have been made for the purpose of creating new and strengthening existing agencies.

Mining Geophysics Bankroll $5 Million It's Newest Firm in Exploration Field

Newest entrant in the Canadian mining exploration field is Mining Geophysics Company Limited which starts off with a net liquid asset position of over $5 million. The present company, headed by Dr. N. B. Keevil, president of Temagami Mining, was formed last March and is entirely distinct from an earlier Mining Geophysics firm of the same interests which was wound up recently.

An investment portfolio with a market value of $3,134,500 at March 31, 1956, has been provided the new company by agreement with associated interests, this portfolio comprising 200,000 shares of Temagami Mining, 150,000 Mogul Mining and 310,000 shares of Geo-Scientific Prospectors.

Financing group, including Dobieco Ltd., has agreed to provide $2.1 million less $180,000 commission, making an over-all liquid asset position for the company of over $5 million.

Mining Geophysics Co. has an authorized capital of 500,000 5% non-cumulative $10 par shares which are convertible into common on the basis of five common for one preference up to March 31, 1965. The common issue is 7.5 million shares of $2 par value.

On the completion of present underwritings, all the preferred and 1,800,005 common shares are expected to be issued. All but 150,005 of the presently issued 1,500,005 common shares are held in escrow.

At present there are 300,000 of the redeemable preference shares issued. Under the agreement with the financing group, 200,000 further preference shares and 100,000 common shares are to be issued for the $2.1 million underwriting, less $180,000 commission. A total of 50,000 preference shares and 25,000 common shares was to be paid for immediately under the agreement with the balance payable in installments over nine months.

Mining Geophysics has taken over a number of mining properties which are stated to have been carefully selected for their mining possibilities. Exploration on some of these is already under way.

Immediate plans call for the following up of air survey results in two different areas.

Geophysical work preparatory to drilling is now proceeding on several properties including the Yukon. The company plans to act in an exploration, development, participating and holding capacity.

Pro forma balance sheet as at March 31, 1956, shows $2,166,010 current assets comprising $591,010 cash and $1,575,000 due from an underwriter. Current liabilities were $150,000. Investments were shown at cost of $3,085,000 which was slightly less than market value.

Anomalies are reported to have been outlined on three different properties acquired in the Nipissing district while a regional anomaly appears on ground held in Afton twp., Temagami area. Numerous other properties are held in Quebec, the Michipicoten area, and Pic River area, Ontario.

Proposed Sask. Pulp Mill May Involve $60 Millions

From Our Own Correspondent

REGINA—In the midst of political fanfare, at long last came the announcement in Regina this week that Saskatchewan would get its first pulp mill, located about 10 miles north of Prince Albert.

The announcement was made jointly by Premier T. C. Douglas and Robert G. Campbell of Vancouver, who heads a group of industrialists who propose to establish the enterprise. Mr. Campbell refused at a press conference to disclose the identity of his Canadian associates. He did admit, however, that one of his associates is a U.S. midwestern company which will hold the largest single block of common stock, and which has guaranteed to take 100% of the kraft pulp production of the plant.

Cost of the first phase of the project will be between $50 millions and $60 millions. This will involve building a $32-million mill about 10 miles north of Prince Albert where a square-mile site has been obtained.

It will also involve building a transportation system for getting the pulp wood from its timber limits by means of roads and rail lines. Cost of the railway line will be about $5 millions, including rolling stock and locomotives. Cost of the road-building was not estimated.

There will be further large expenditure in building a town at the mill-site. This will ultimately come to about $10 millions.

$100-million Investment

The company undertaking this operation, which is visualized as ultimately involving an investment of $100 millions is being incorporated under the name Waskesiu Forest Products, Ltd.

Financing will be done by the sale of common and preferred stock, and by borrowing through a mortgage bond issue.

Mr. Campbell assured the press conference that nearly 60% of the equity would be made available to Canadian investors. The mortgage bonds will have no conversion privilege. The equities, and bonds will be distributed by syndicates of dealers, both in the United States and Canada.

Timber limits involved in the agreement with the Saskatchewan Government cover roughly 11,000 square miles, of which about half will be exploited by the plant at a rated capacity of 600 tons of bleached and unbleached kraft pulp a day.

Expansion to a capacity of 1,200 daily is contemplated for the future and exploitation of the whole 11,000 acres is the objective.

This, Mr. Campbell estimates, should be sufficient to keep production at the 1,200-ton level in perpetuity with good conservation practice.

The pulpwood will be delivered to the CNR railhead at Paddockwood. From here it will be carried to the mill site. Mr. Campbell has started negotiation with the railway about freight rates and expects to get favorable consideration for both the unprocessed timber and the semi-processed product.

A chlorine plant will be needed at the mill site, Mr. Campbell said. This is expected to be built by another company at a cost of about $8 millions. Power for the whole operation at the mill site is expected to be either coal or gas, or both.

Working Option

The agreement with the Government, described by the Government as an option, and by Mr. Campbell as a "firm agreement" looks very much like a working option. It involves an initial $25,000 payment as an "earnest" of intention and further payments of $25,000 every three months during the term of the agreement, which expires in six months and is renewable for two three-month periods. A clause permits the dropping of the "option."

Eventual recovery by the province from the operation will, of course, take the form of a royalty in stumpage fees.

The whole operation, including logging and transportation, will give employment to about 3,000 with a payroll estimated at $9 millions. In the logging operation, the company will get out most of the timber itself, but will contract some of it. This contract timber will come from farmers and trappers outside the timber limits and from larger contractors inside the limits.

Premier Douglas denies that any financial assistance to the project is being given to the company by the Government.

Provo Buys Dome Ex. Gas Now Under Dome Control

Provo Gas Producers has announced acquisition from Dome Exploration (Western) Limited of all that company's gas reserves in the Provost, Tofield and Westlock gas fields of Alberta. Under the arrangement, Dome will receive a 37½% share interest in Provo Gas Producers and assume management control of that company.

Reflecting this change the following revised slate of officers and directors of the company is announced: G. M. Bell, Calgary, director and chairman; J. P. Gallagher, Calgary, director and president; A. S. Williamson, Calgary, secretary; Mervin A. Dutton, C. S. Dunkley, Calgary, G. R. Gardiner, Toronto, C. W. Michel, New York, and C. C. Calvin, Toronto, directors.

Plans call for active participation by Provo in exploration for and development of additional natural gas reserves in Western Canada.

Manitoba Oil Flow Shows Apr. Decline

From Our Own Correspondent

WINNIPEG — Crude oil production for Manitoba in April dropped 70,000 bbls. below March chiefly because of spring traffic restrictions on roads in the oil fields but for the first time the industry had more than 600 producing wells.

Twelve new producers were brought in during the month to make a total of 604 at April 30.

The April production from 537 wells was 422,300 bbls., a daily average of 14,077 compared to 493,857 bbls. in March, in both months about double that of a year ago.

For the first four months of 1956 the oil yield has been 1,780,124 bbls.

Monsanto Plans Edmonton Plant

Monsanto Canada Ltd. will construct a new synthetic resin plant at Clover Bar, Alta., just outside Edmonton. Production emphasis will be on liquid resin adhesives for the plywood industry of Western Canada.

Recent western expansions in the plywood manufacturing, woodworking and insulation batt industries has dictated a need for various high-quality resins to be available from a local manufacturing operation. At present these industries must depend on shipments from Eastern or West Coast manufacturers. The new plant is expected to have ample capacity to supply any foreseeable requirements in this market. Ground has already been broken and it is expected full scale production will be under way during fall of this year.

This will be Monsanto's third manufacturing plant of this type in Canada, the other two being located in Montreal and Vancouver.

Canadian Interest In New "Super" Grade Gasoline

MONTREAL (Staff)—Canadian gasoline manufacturers are eyeing a recent development in the United States — introduction by several companies of a third or "super" premium grade of gasoline.

The new grade, rated at approximately 100 octane, is designed specifically for new, high powered car engines with high compression ratios. It compares with 95-97 octane for the current first, or "premium" grade of gasoline and about 91 octane for second or "regular" grade. In the U. S., one large oil company is marketing the super grade gas at a premium of 3 cents a (U.S.) gallon.

So far, oil companies in Canada have made no plans to introduce the 100 octane gas in Canada.

A poll of Montreal area refiners disclosed they were watching the U.S. experiment with interest but had made no plans to follow suit. Implementation of such a plan here would involve considerable expenditures at the refinery, in the service station itself and in gasoline transport and handling facilities.

One oil company official here acknowledged there was a growing demand for the higher grades of gasoline as the compression ratios of automobile engines were becoming progressively higher. Ratios in the vicinity of 9.3 are now considered in the high range and experts predict engines with ratios of close to 10 will be produced in the next few years. Such engines would, of course, greatly increase the demand for high octane gas.

Anglo-Barrington Buys Parks Brook

From Our Own Correspondent

FREDERICTON — Blandford Holdings, Ltd., Winnipeg, an Anglo-Barrington subsidiary, has purchased control of the Parks Brooks Mines, which owns 558 claims in the Devil's Brook section of the little southwest Miramichi River.

E. C. Atkinson, Parks Brook vice-president, said here today that President Jackson of the Winnipeg company had been elected president and Parks Brook planned to spend well over $250,000 in exploration work on its New Brunswick holdings this year.

President of Sevogle Mines, Bruno Metal Mines and SCL Metal Mines, Mr. Atkinson also announced that Conwest Exploration has purchased 60 additional Sevogle claims in the Bathurst area, and has an option on 153 Bruno claims in the Bathurst-Newcastle mining belt.

Consolidated Mining & Smelting Co. is negotiating with SCL for the geophysical exploration work on 2,400 claims held by SCL in the Bathurst-Newcastle area as a result of an aerial survey conducted by Aero Magnetic Surveys, Toronto.

Inco Not Expecting To Expand Output At Present Time

International Nickel Co. of Canada does not plan any expansion of its production at this time, President Henry S. Wingate advised a U. S. Senate Committee in Washington last week.

Mr. Wingate said that it would take approximately four years to bring into production new nickel plants. No one could predict what requirements would be made by that time for U. S. defense production and the nation's stockpile of nickel, he held.

The amount of nickel going into stockpile was estimated as much higher than that of any other critical metal and this was stated to place a heavy burden on nickel producers to "take care of the stockpile, the defense needs and to try to supply the civilian users."

It is reported that Freeport Sulphur may shortly announce an $85 million nickel-cobalt plant for one of the Gulf states. Cuban ores would be used.

Company Report

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

Mining

COCHENOUR WILLANS GOLD MINES reports 1955 can be considered a most successful year and all indications point to a further increase in production for 1956.

After over $68,000 of write-offs, Cochenour realized a 1955 net profit of $225,783 or 7.6 cents a share on a production of $1,231,215.

Production was almost 50% higher than 1954's $844,866.

"The progressive underground program of exploration and development continues to return favorable results and the general ore situation at the mine has much improved with mining being carried out in all areas of the mine both old and new," President E. C. Cochenour reports.

Two claims regarded as important have been acquired adjoining Cochenour Willans mine on the southeast corner. They were secured by outright purchase.

Two new ore zones were found during 1955. One is known as the North zone, 44 ore block, north of the "wet" dyke, the second the North, Northwest zone, 11 ore block, 500 ft. north, northwest of the shaft.

INCOME ACCOUNT		
Years Ended Dec. 31:	1955	1954
Bullion prod.	$1,231,215	$844,866
Less: Oper. exps.	1,039,959	947,381
Operating profit	191,256	a102,515
Add: Misc. income	13,279	15,882
Est. cost-aid	99,000	154,000
Prof. sale f.a.	...	a1,519
Less: Deprec.	$4,336	$1,450
Exp. on optioned prop.	...	9,252
Devel. exp. w/o	13,983	...
Prov. for taxes	9,433	a2,964
Net profit	225,783	9,139
Less: Divds.	88,850	...
Surplus for year	136,933	9,139
aLoss or deficit.		
Credit.		
Earnings per Share	$0.076	$0.003
Paid	0.03	nil

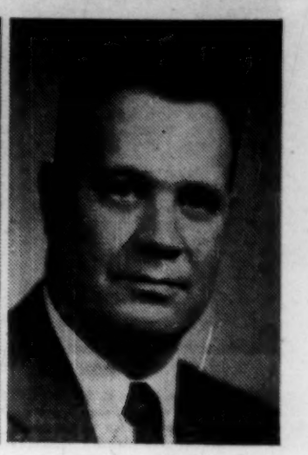
CONDENSED BALANCE SHEET		
As at Dec. 31:	1955	1954
Bullion	552,940	$666,323
Mkt. secs.a	430,200	415,200
Accts., etc., rec.	29,954	14,321
Govt. aid rec.	70,835	77,288
Inc. tax recov.	...	10,793
Mat. & supplies	169,347	176,177
Total curr. assets	783,276	780,307
Prep. & def. chgs.	13,078	22,794
Development exp.	34,739	16,741
Other inv. & adv.	185,929	39,000
Hydro deposit	10,000	10,000
Claims & props.	252,380	232,333
Plant & equip.*	307,906	291,550
Total assets	1,587,308	1,392,725
Bank overdraft	23,854	4,105
Accts., etc., pay.	111,743	111,801
Taxes payable	6,533	...
Total curr. liab.	142,130	115,906
Deferred tax	2,900	...
Capital stock	961,960	861,960
Surplus	550,318	414,859
*After depr. of	1,182,300	1,138,528
aMarket value	417,500	418,000
Working capital	611,146	664,491

OPERATING STATISTICS		
	1955	1954
Tons milled	68,531	68,045
Average recovery	$17.97	$12.79

ANNOUNCEMENT

HAMILTON COTTON COMPANY EXECUTIVE CHANGES

W. H. YOUNG



G. B. LAWRENCE

Mr. A. V. Young, President, The Hamilton Cotton Company Limited, announces the following executive changes. Mr. W. H. Young has been appointed Vice President and General Manager. Mr. G. B. Lawrence, formerly Superintendent of Cosmos Imperial Mills Limited, Imperial Division, Hamilton, Ontario, succeeds Mr. W. H. Young as Works Manager of The Hamilton Cotton Company Limited.

CANADIAN MINING & OIL TRADING SERVICE

QUESTIONS YOU ARE ASKING

Question: Are COPPER STOCKS going to revive? If they are NOT, what stocks should I buy for a rise?

Answer: We are counting on a revival in *many* speculative stocks, and we know of some that are outright gifts at current prices.

Question: Are any of these lower-priced issues, to suit my means?

Answer: Certainly! Some of the stocks we are referring to are selling above $50.00, with others below $1.00. Besides, you can buy 2 shares of Algoma Steel at $103.00, pay $5.00 commission, and in all probability make $150.00 profit in just two or three months.

Question: What do you think of the prospects for WESTERN OILS?

Answer: Group action of stocks is a valuable guide in forecasting the trading movements of individual stocks. Western Oils are likely to be leaders in the market, but BIG PROFITS will be made in select situations, regardless of what group they belong to.

Question: Can you give me the names of, say, a dozen good stocks? I want to start all over again, providing you'll tell me when to sell.

Answer: That is the kind of thing we tell our Subscribers every week! Invest in a Trial Subscription for yourself. Most of our recommendations include price objectives.

FP-23M-56

CANADIAN MINING & OIL TRADING SERVICE
21 King Street East, Toronto.
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NAME .....

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THE FINANCIAL POST, 481 University Ave., Toronto 2, Canada

ANNOUNCEMENT

LEWIS W. LAWSON

widely known executive of Toronto, has been appointed vice-president and managing director and elected to the board of directors of The Glidden Company Limited, it is announced by Dwight P. Joyce, chairman and president of The Glidden Company, Cleveland, Ohio. Mr. Lawson, who took office June 1, has headquarters in Toronto.

JEAN LAKE LITHIUM MINES reports intermediate level drilling has extended the No. 4 lithium zone on its Cosgrave Lake-Barbara Lake area property to a length of 1,079 ft. averaging 1.33% Li_2O over an average true width of 17.2 ft. A deeper hole, No. 26, below No. 24, intersected 25 ft. of core averaging 1.34% Li_2O. The zone is estimated to contain 1,689,000 tons averaging 1.30% lithia.

MINING INVESTMENTS

U.S. Nickel Stockpiling Only 50% of Goal So Far

Only the half-way mark has been reached so far by the U. S. in its nickel stockpiling program. However, progress has been achieved since only 15% of the nickel objective was on hand in October, 1953, according to information released in Washington.

Decision of the U. S. Government to release an additional 20 million lb. of nickel a quarter to assist in meeting the nickel shortage will tend to slow realization of the stockpile objective.

Total diversions in 1955 were only 29,950,000 lbs.

According to testimony before the Senate Small Business Committee by ODM Director Arthur S. Fleming, nickel supply available to the United States has already been increased 128 million pounds per annum since the Korean period.

Dr. Fleming indicated that "through various forms of financial incentives" the following additional maximum annual deliveries had been approximately reached.

	Pounds —millions—
Falconbridge Nickel	18
Hanna Smelting Co.	18
International Nickel Co.	24
Sherritt Gordon Mines	18
Nickel Processing Co. (Nicaro)	50

While this increase in production has been achieved, it was admitted that the nickel supply available for the civilian economy is still less than what was available before the Korean war.

According to Dr. Fleming, introduction of controls would serve no useful purpose because there would still be a shortage of nickel.

The U. S. is still betting on tax amortization and long-term contracts—minus any premium price provision — to further increase productive capacity. It was admitted that even if these should prove attractive to industry two or three years would be required to bring new facilities into operation.

* * *

E. Sullivan Does Better

Improved profits are being shown by East Sullivan Mines, shareholders learned at the company's recent annual meeting.

Estimated net profit for the first five months of 1956 amounted to $1,650,000 as against $1.2 million in the corresponding 1955 period. The higher 1956 figure reflects an appreciably higher average price for copper.

Favorable underground results are being shown on the 1,500, 1,900 and 2,800-ft. levels, President Pierre Beauchemin reports.

East Sullivan and Sullivan Consolidated which have been carrying on an aggressive exploration program have now optioned the Lemieux twp. property of Gaspe Mines. Exploration is planned on this property as well as the Federal property already jointly controlled.

Expenditure of $1.5 million has indicated sufficient lead-zinc ore on the Federal property to justify production plans, it is stated.

At the Gaspe Mines property, good indications of copper plus lead and zinc are stated to have been secured in diamond drilling. Geologists report favorable chances for development of copper ore bodies.

* * *

Cochenour Boosts Profits

A gold mine which has had perhaps more than its share of ups and downs, Cochenour Willans Gold Mines, has been enjoying vastly improved results recently.

Back in 1954 production was only $844,866. A net profit of $9,139 was shown only because approximately $154,000 of cost-aid was received for the period.

In 1955, production rose to $1,231,215 and despite a decline in estimated cost-aid income to $99,000, a net profit of $225,783 or 7.6 cents a share was realized.

In 1956, a further predicted improvement in results has been realized. The four months ended April 30, 1956, have provided production of $466,483 with a net profit of $96,601. The company milled 22,010 tons of ore during this latest period with an average recovery of $21.10 a ton.

Performance of a number of Red Lake mines—Campbell, Madsen, New Dickenson and now Cochenour—serve to show that it is not impossible for the individual gold mine to do better although present conditions may make it difficult.

* * *

Drill at Windy Lake

Annual meeting of Preston East Dome Mines learned that both geological mapping and diamond drilling are under-way on the large 1,019-claim group retained in the Windy Point area, Northwest Territories, about 25 miles north of the Pine Points mine. At time of staking indications of interesting base metal occurrences were noted.

Through J. H. Hirshhorn's deal with Rio Tinto, Preston has come within the Rio Tinto orbit. D. R. Derry, E. B. Gillanders and W. B. Malone have been elected to the Preston board succeeding C. F. W. Burns, R. A. Jodrey and F. R. Joubin.

At Preston's own mine in the Porcupine area, ore reserves are stated to have shown a slight increase, resulting mainly from stope extensions in the porphyry greenstone zone. As of May 1, ore reserves amounted to 518,000 tons.

A large proportion of recent development has been of a longe - range nature, including a 1,200-ft. drive to the porphyry greenstone area on the 17th level. A high grade vein is reported being developed on the 15th level in the west porphyry footwall where ore of approximately one ounce grade has been drifted on for 100 ft. so far.

Rio Tinto Readies Uranium Supplier For Private Firms

It's in England, not in Canada, but Rio Tinto Co. is preparing to supply uranium to private industry.

G. E. Coke, chairman of the board, has predicted that uranium will soon be available "through more normal commercial channels" for peaceful industry.

Mr. Coke informed a shareholders' meeting that governments will have satisfied essential military needs when current contracts expire.

Rio Tinto is already working on an organization to market uranium to private firms, Mr. Coke added.

Texas Gulf Firm Said In Sulphides At Bald Mountain

From Our Own Correspondent

FREDERICTON—Although not sufficiently large to indicate tonnages, Middle River Mining Co., Texas Gulf Sulphur subsidiary, is reported to have turned up an encouraging find of sulphides in the Bald Mountain-44-mile Brook area.

Middle River has resumed diamond drilling on its five groups of claims in the area, and is also carrying out geophysical surveys on another group of claims in the Tomogonops River, a branch of the N.W. Miramichi district.

A Dutch company, Billiton Mining Company, The Hague, has three diamond drills working on a group of claims on the Nigadoo River, north of Bathurst. J. C. Dumbrille, resident engineer, reports drilling is down to 1,000 ft. and present plans call for going deeper. The deposit, he explained, "is opening up pretty well" and the company may sink a shaft.

Noranda Mines is tracing anomalies, staking and carrying out assessment work on 200 claims in the Bathurst-Newcastle area, while farther north, Martex Mining & Development, Toronto, is interested in a group of claims near Jacquet River, Restigouche County.

Mining Concentrates

BUFFADISON GOLD MINES has called a general meeting of shareholders for June 19 to consider an increase in capitalization from four million to 7.5 million shares. The increase is proposed to put the company in a position to acquire a worthwhile new property if the opportunity arises. There was $29,604 cash on hand against $428 current liabilities at the end of 1955.

* * *

TIBLEMONT GOLDFIELDS reports that since the beginning of the year a 500-acre property has been acquired in Desmeloizes twp., adjoining to the south of Duvan. A magnetometer survey is being undertaken. The Durham Parish holdings in New Brunswick have been maintained in good standing.

* * *

TOFF URANIUM states that while 1955 work on its property adjoining the Ace property of Eldorado did not produce an ore body there is a possibility of developing a mineralized zone on Toff at depth. There was $265 cash on hand against $260 current liabilities at the end of the year.

* * *

NEW FORMAQUE reports drilling on its Dalquier property intersected 11.2 ft. assaying 3.10% copper including 2.7 ft. averaging 7.16% copper, 1.76 oz. silver and 0.12 oz. gold.

* * *

NELLO MINING says that $75,000 has been added to its treasury since the beginning of the year through sale of 250,000 treasury shares at 30 cents a share.

* * *

CHIMO GOLD MINES decided not to exercise options on further Trojan treasury shares and A. J. McClellan has become president representing B. C. interests.

* * *

NEW JACK LAKE reports that with $100,000 placed in its treasury under a financing agreement, a contract has been awarded for an electrical survey of the company's property in the Chibougamau area.

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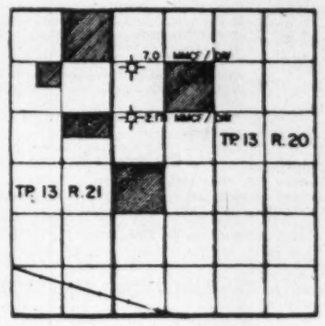
RIDGEWAY PETROLEUMS
PROGRESS REPORT

To the Shareholders:

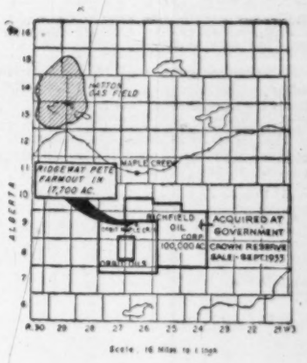


No. 1 GAS DEVELOPMENT. Ridgeway has acquired a 50% interest in a 2400 acre gas lease purchased at a Saskatchewan Government crown reserve sale. This acreage completely surrounds two capped gas wells in the Tompkins area of Saskatchewan, successfully drilled by a major company. Saskatchewan Power Corporation have called for tenders on a gas pipeline to be completed this year through Southern Saskatchewan. A market will be available immediately, therefore, for the gas reserves under Ridgeway's property.

THE GAS RESERVES UNDER THE 2400 ACRES LEASE HAVE BEEN ESTIMATED TO EXCEED FOUR BILLION CUBIC FEET BY RIDGEWAY'S GEOLOGISTS. The first of five proposed gas wells by Ridgeway Petroleums will commence drilling in June.

No. 2 OIL DEVELOPMENT. Ridgeway Petroleums will earn a 50% undivided interest on a 17,700 acre lease in the Maple Creek area of Saskatchewan by drilling two wells.

A recently drilled well on the acreage, as shown above, had excellent oil and gas shows in three zones. Due to financial and various other difficulties, the company drilling the well was unable to run production tests and consequently the well which gave indications of being a commercial producer was abandoned. Ridgeway's first well will be drilled ½ mile N.E. of this well.



RIDGEWAY PETROLEUMS LTD.

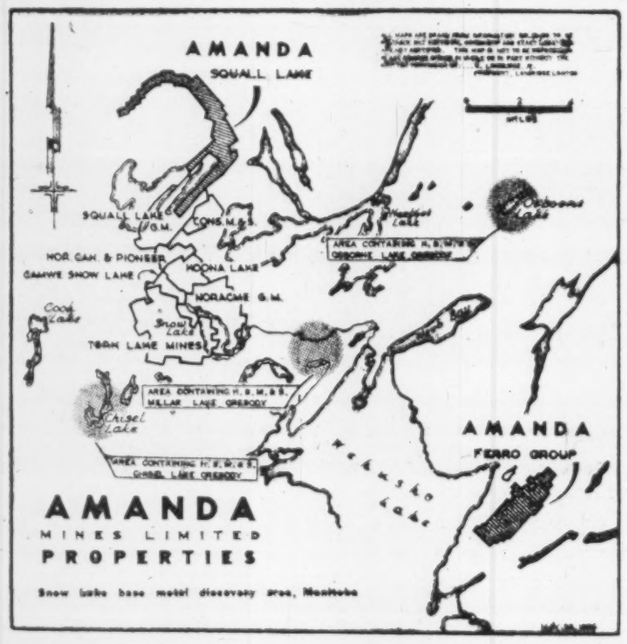
403 Grain Exchange Building
CALGARY - - ALBERTA

To: **Ridgeway Petroleums Ltd.**
403 Grain Exchange Building,
CALGARY, Alberta.
Please supply full information re Ridgeway Petroleums Ltd.

NAME _____

ADDRESS _____

For Information of unregistered Shareholders:



Excerpt from The Northern Miner, May 17, 1956:

"a base metal find of 'major importance'

"... there are three metal finds to be developed, and numerous indications to be explored, in blocks of ground which if they were all in one piece would be 40 miles long and five miles wide.

At Chisel Lake the company (Hudson Bay M. & S.) has what is primarily, at this stage, a high grade zinc show, with recoverable lead, gold, silver, and copper undertones. At Osborne Lake there is a good starting tonnage of 4% copper (as shown in the annual report). A little to the southwest of Chisel Lake they have a mixed metal show of interesting character. These three finds are within 18 miles of one another on a piece of structural geology which could add many other mine making chances.

The way Hudson Bay has clamped on to this chunk of appealing countryside emphasizes it is deeply intrigued."

THE Amanda properties in this area are a 33-claim group at Squall Lake and a 54-claim group on the East side of Herb Lake. Both Amanda groups are located in the same greenstone belt as the Hudson Bay M. & S. orebodies. Gold ore grading 0.242 oz. cut was proved on the Herb Lake property by diamond drilling and underground development. Mine, plant and generating equipment have been maintained in working order.

Reports indicate that economic transportation and power will be made available in this area in the very near future.

An extensive exploration program led off by an electro-magnetic survey is under way on these holdings.

Consulting geologists and engineers: Macdonald & Sexsmith, Toronto
Geophysical engineers: Moreau, Woodward & Co., Flin Flon

AMANDA
MINES LIMITED

Upon granting of supplementary letters patent name will be changed to
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Suite 1105, 80 Richmond Street West, Toronto

Listed Toronto Stock Exchange

Exchange Bobjo Shares For R. J. Jowsey Min.

Shares of Bobjo Mines are now being exchanged for those of the successor company, R. J. Jowsey Mining Co., on the share exchange basis of three Bobjo shares for one share in the new company.

The exchange of shares is being effected through Crown Trust Co., Toronto, and Toronto General Trusts Corp., Winnipeg.

Cal. Standard Makes Oil Find

California Standard Company's Bentley No. 10-10 exploratory venture in the Bentley district of central Alberta topped the Viking sand zone at a favorable elevation and flowed oil to surface during initial drillstem test in that zone. This new discovery, which is situated approximately two miles northwest of the Imperial Oil Limited Bentley No. 12-1 Viking oil discovery well and three miles southeast of Imperial's Bentley No. 4-20 original Bentley oil discovery, is 2½ miles south of the town after which it is named and 14 miles northwest of Red Deer city limits.

Cal-Standard's success is the third discovery in the immediate Bentley area this year on the Viking sand trend that stretches in a southeasterly northwesterly direction from Joffre a distance of approximately 50 miles to the West Gilby field. Cal-Standard drilled the discovery well in the Gilby producing area and pioneered exploration in the general Bentley area.

The Bentley No. 10-10 indicated oil producer, on lsd 10-10-40-1w5, topped the Viking horizon at 5,512 ft. Crew is presently logging the well at final total depth 5,577 ft. The drillstem test that assured backers of success was run of the interval 5,468 to 5,540 ft., with valve open 204 minutes. Gas flowed to surface in seven minutes and built up to maximum flow rate of 66,000 cu. ft. daily. Oil flowed to surface in 117 minutes, and recovery in one hour through the one-inch choke was 14.4 barrels. An attempt to reverse circulation failed and in addition to a recovery of 1,530 feet of oil crew also recovered 1,980 feet of mud. There was no evidence of water.

Cal-Standard's venture is 1¼ miles north of the Imperial Bentley No. 8-3 venture, that recovered some oil in the Viking sand, and two miles southeast of its Bentley No. 10-17 current driller. The No. 10-10 well is on freehold lease rights owned outright by Cal-Standard.

Stran-Steel helps modernize Canadian brick industry

Longest section of new Canada Brick plant extends 800 feet. Plant is made up of eight Stran-Steel buildings.

Newly cut bricks are taken from production line, piled by workers on railcars which will transport them to drying kilns.

As part of the continuous production process at Canada Brick Limited, bricks are moved by railcar into drying kiln.

Long, clear-span buildings make new continuous processing possible

In order to convert brick making to modern methods, Canada Brick Limited, Streetsville, Ontario, started with eight all-steel Stran-Steel buildings, site-styled to its requirements.

The new plant, with nearly 90,000 square feet of floor space and a production of 100,000 bricks a day, depends almost entirely on mechanical handling devices. There is complete electrically controlled coordination of the entire production plan. From the moment the rough shale is poured into the crusher, it is processed, formed, wire-cut into bricks, run through the tunnel kilns and readied for shipment in one continuous, uninterrupted movement.

EXPANSION IS NO PROBLEM

The column-free interiors of Stran-Steel Bow String and Rigid Frame buildings make it easy to house the large machinery required by the brick and clay industry. Building length and width is tailored to individual needs—and expansion is no problem. Shape and size can be easily altered to fit new requirements.

If you are planning to build or expand—if you are a manufacturer, wholesaler or operator of a service business—it will pay you to inquire about Stran-Steel buildings. Low initial cost and maintenance costs; fast erection; fire-safe all-steel construction—all are part of the story. Let your Stran-Steel distributor give you complete details.

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Midrim's 'Purest Salt Strike' Suggests Big Southwest Ontario Mine Potential

Intersection of an unusually pure 30-ft. bed of salt by Midrim Mining Co. at a location west of London, Ont., may have a marked effect on the Canadian salt business.

One man, a leading authority on salt in Canada, is quoted as saying it is the purest bed of salt seen in Europe, England, the United States and Canada.

Plans have already been formulated by Midrim for a 1,750-ft. shaft preparatory to the undertaking of low-cost trackless mining. Midrim holds a property 2½ miles long by 2¼ miles wide under lease or purchase agreement. The company feels this is more than adequate for its purposes.

Following completion of the initial discovery hole, the management has embarked on a two-drill program designed to grid a 4,000-ft. square area. If the bed extends with the same thickness and grade over this area, ore tonnage would aggregate 31.2 million tons which gives some idea of the productive potential.

One drill hole is now going down 2,000 ft. south of the discovery hole while a second hole is being 2,000 ft. to the east of the initial drilling. Next holes will be 2,000 ft. north and 2,000 ft. west of the first hole.

Analysis of 10 ft. of core from the top of the bed gave 99.7% salt (sodium chloride) with no potassium or magnesium and only 0.21% sulphur and 0.08% calcium. The following 4 ft. of core dissolved and no assay is available on it. Next came a 10-ft. section assaying 98.99% salt, with trace of potassium, 0.17% magnesium, 0.22% sulphur and 0.15% calcium. The succeeding 6 ft. ran 99.34% salt with trace potassium, 0.02% magnesium, 0.42% sulphur and 0.24% calcium.

It is assumed that the 4 ft. of lost core would form part of a 30-ft. bed.

Others Show Interest

While the discovery has been "hush hush," chemical and packing interests have apparently already learned of the strike and have been expressing interest. However, it is believed that Midrim will develop the discovery itself.

Estimated cost of sinking a 1,750-ft. shaft and installation of necessary mining and plant facilities for production is $3.5 million. Estimated maximum cost for the shaft is $1.4 million but there is a possibility that actual cost may be considerably lower.

Mining costs, using trackless mining, are expected to be about $2.50 per ton.

Crushing, screening, storage and bagging facilities will be used for production purposes.

The Midrim management expects that a minimum of 250,000 tons of salt will be turned out a year. Value of the product is expected to be in the neighborhood of $8 to $10 a ton f.o.b. the mine, price depending on grade. It is expected that the 10 ft. at the top of the bed which is free of potassium and manganese will be used for the food industry.

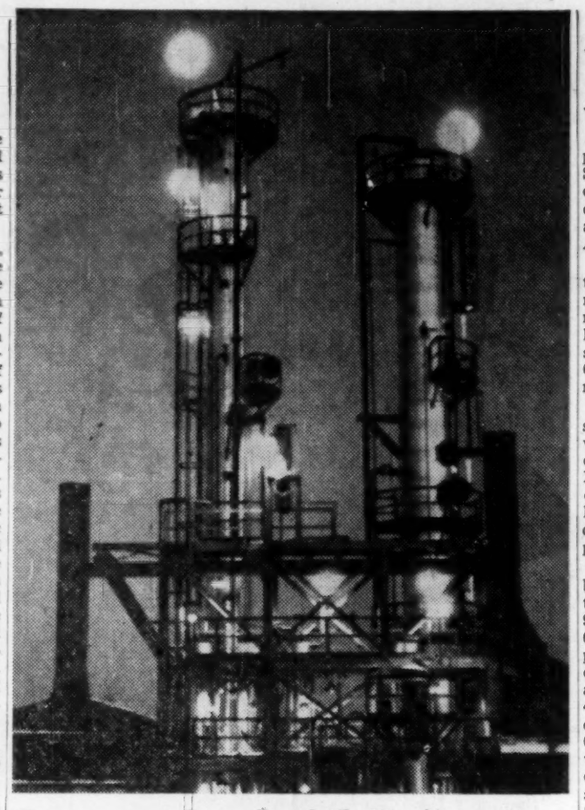
Export as well as domestic markets are now being investigated.

A substantial profit potential is indicated by likely costs and anticipated markets.

Financial Position

Midrim which earned approximately 9½c in the year ended Oct. 31, 1955, had net liquid assets of $1,689,633 at the end of the last fiscal year. It is understood that earnings in the seven months since the close of the fiscal year have equaled those of all last year.

In addition to its salt venture, Midrim is interested in a large property on strike of the ore structure between the Vermilion Lake and Errington mines of Consolidated Sudbury Basin Mines. With Consolidated Sudbury proceeding with a mill of 3,000 tons capacity, Midrim has arranged for a new five-million share company, Sturdy Mines, to take over its Sudbury holdings with a million vendor shares accruing to the Midrim treasury. Midrim and Rickey Petroleums have jointly agreed to underwrite 1.8 million Sturdy shares at 40c a share to provide substantial funds for exploration of the Sturdy property with options on further shares. The Sturdy ground covers the favorable strike of the zone for more than two miles and the work program will be undertaken under the direction of W. C. Ringsleben. An extensive drilling program is to be initiated July 1.



Bouzan to Use Seven Drills Readying for Shaft Sinking

Plans have been formed by Bouzan Mines to start shaft sinking as soon as material and equipment can be delivered to the property.

While the approximate location of the shaft has been pretty well decided, the company is going to do a fast drilling job on the shear zo before the exact location of the shaft is located and for this drilling plan, seven drills will be engaged. That will give a total of eight drills working on Bouzan property as one is presently drilling on the south group.

There are already two drills drilling on the McKenzie property and one on the Obalski property which lies a little better than three quarters of a mile south of the McKenzie property.

A considerable amount of clearing and cutting of timber has already been completed on the property where the shaft will be located and for fire protection.

Additional sleep camps and cookery will be built immediately to take care of the whole program of work. The present plan being announced is a program agreed upon between Bouzan Mines and Noranda Mines.

It is the intention of Bouzan and Noranda Mines to carry out this program of shaft sinking and diamond drilling as speedily as it can be done so that shaft sinking can be done during the summer months, taking advantage of the long days for putting the collar on the shaft. The exact size of the shaft has not been decided yet but it will be a large production job.

Dawson Creek Oil Refinery Starts at 2,000 B/D Rate

Latest oil refinery in Western Canada to go on stream is the new $2.5-million plant of X-L Refineries Ltd. at Dawson Creek, B.C. The plant got off to a successful start early this month at a production rate of 2,000 barrels per day.

Decision to locate the refinery at Dawson Creek reflected company thinking on potential market of this fast-developing area. Recent major developments in the area include the $152 million Westcoast Transmission natural gas pipeline; an $18-million gas processing plant; extension of the Pacific Great Eastern Railroad to the Peace River block; a $2 million sulphur plant; construction and improvement of highways by both the Alberta and B. C. governments. Dawson Creek is seen a focal point for all this activity.

Process units installed in the refinery are for crude distillation, thermal cracking, catalytic reforming and gasoline and kerosene treating. Products include regular and premium grade gasoline, kerosene, light diesel, heavy diesel and fuel oil.

A wholly owned subsidiary of Excelsior Refineries Ltd., Edmonton, X-L was formed last year. The Dawson Creek refinery is the second to be built by the parent company. The first plant is located at Lloydminster. It was built in 1949.

Arcadia Negotiates on Mill Aims at 1,000 tons Per Day

An accelerated development program designed to ready the Sudbury nickel-copper properties of Arcadia Nickel Corp. for production at 1,000 tons daily was announced this week by President Allan E. Rosen.

Negotiations are now under way to acquire a dormant base metal mill which can be readily dismantled and moved to Arcadia's holdings on the Worthington Offset, between the Worthington and Crean Hill properties of International Nickel.

As a result of extensive resampling of old workings coupled with surface drilling in the Gersdorffite, "Z" zones and the old Howland Pit, the management estimates indicated reserves of at least 1.5 million tons of 1.5% combined nickel-copper, plus precious metals.

The Arcadia property is opened by a three-compartment shaft on the Robinson zone to depth of 972 ft. with levels at 200, 350, 500, 650, 800 and 950 ft. Recent sampling in the 514 west drift indicated such values as 3.74% nickel and 2.07% copper across 3 ft., 4.31% nickel and 0.21% copper over 5 ft., and 2.40% nickel and 0.19% copper across 3.1 ft. within a 35-ft. drift length. To the east, or 300 ft. away, one 5-ft. section in a 50-ft. length of the 509 east drift ran 3.33% nickel and 6.51% copper.

For the moment main underground development will be concentrated on the 650 and 800-ft. levels for the purpose of developing known ore and to explore extremely favorable ground along the length of the Worthington Offset, the ore marker of the district.

The southwest drive on the 650 level will outline the Robinson Zone for a further known 200 ft. and also explore potential ground toward the Howland pit, originally developed by predecessors on surface as a source of high-grade material. The drive to the northeast, designed to explore ground toward the Gersdorffite zone, 1,700 ft. ahead, is expected to encounter a hole 15 ft. ahead of the last face that gave 3.35% combined nickel and copper over 15 ft., or a wider section averaging 1.10% combined metals over 44.5 ft. Recent surface drilling of the Gersdorffite zone indicated a substantial tonnage of nickel and copper ore of commercial values.

Between 400 and 600 ft. of lateral work is proposed immediately for the 800-ft. level. The drive to the northeast, where old drift workings show massive nickel and copper across drift width for the last 20 ft., will head out to a drill hole that gave 2.43% combined over 22.2 ft. The southwest drive will be extended 200 ft. to explore a down hole that gave 1.5% combined metals across 28 ft. at a point 1,000 ft. northeast of the Howland open Pit.

Current drilling of the Robinson zone, to recheck tonnages from the 200-ft. to the 350-ft. horizon, returned one section averaging 2.21% nickel and 1.36% copper. This resampling program from surface to 200 ft. has already established 550 tons per vertical foot of a grade exceeding 1.5% combined metals. Average mining width in this area is 40 ft. Two drills are operating on surface, one exploring the 1,700 ft. of ground between the Robinson and Gersdorffite zones and the other exploring down continuity of the Howland pit, about 1,200 ft. southeast of the shaft. An underground drill is rechecking tonnages between the 200 and 350 levels.

ANNOUNCEMENT

CROWN TRUST DIRECTOR

Crown Trust Company announces that Robert B. Anderson has been elected a Director of the company. Mr. Anderson is President of Ventures Limited, prior to which he was United States Deputy Secretary of Defence and earlier Secretary of the Navy.

C. Discovery Net to Rise With Mill Boost in August

"Profits should increase substantially beginning August with completion of shaft sinking and with mill expansion scheduled to be in operation," President J. C. Byrne of Consolidated Discovery Yellowknife Mines tells The Financial Post.

Ore reserves now approach $10 million.

Estimated operating profit for the period January to May inclusive amounted to $433,430 and net profit after taxes was $201,682. All sinking costs are being charged direct to operations. Bullion production for the period was $942,063 (27,056 oz.) from 16,130 tons of ore milled. Average grade was 1.71 oz. and recovery was 98%.

The shaft is currently at a depth of 2,522 ft. with stations cut at 2,150 ft., 2,300 ft. and 2,450 ft.

Mining in the North zone and No. 4 veins is proceeding on four levels between 1,100 and 1,700 ft. with grade well up to expectations. The new Nos. 14 and 15 veins are being prepared for mining on the 1,550 and 1,700-ft. levels. A recent interesting development is the location of a 40-ft. length of rich ore lying between the North zone and No 4 veins with an indicated vertical extent of 300 ft. plus. Stoping under way above the 1,400-ft. level is returning an average grade of 5.21 oz. per ton. A drill hole below the level cut 5.5 ft., assaying 5.57 oz. per ton.

Ore reserves above the lowest developed level at 2,000 ft. have a calculated value approaching $10 million at $35 gold, the management reports.

Imperial Mines Plans to Explore Old Copper Mines

An early start is planned by Imperial Mines & Metals on exploration of a number of once-active producing mines on the Whitehorse copper belt about six miles from the city of Whitehorse, President Ole Bakken informs The Financial Post.

Imperial has now acquired 42 claims including five properties which were formerly active producing mines: Copper King, War Eagle, Valerie, Arctic Chief and Grafter.

The above mines are reported to have been in production from 1908 to 1920 shipping raw ore to the Tacoma smelter. All shipments are said to have run in excess of 4% copper with values in gold and silver. The War Eagle mine is purported to have been staked by Sam McGee whose memory has been perpetuated in the poetry of Robert Service.

There are stated to be roads in good condition with a railway spur also running the entire length of the copper belt.

A work program has been recommended by Dr. A. C. Skerl.

ANNOUNCEMENT

New Director Elected

GORDON H. WODEHOUSE

who was recently elected to the Board of Directors of Bay State Abrasive Products Co. (Canada) Limited. Mr. Wodehouse joined Bay State (Canada) in 1953 as Sales Manager and continues in this position for the company.

Rangeland Starts Work Soon On First Oil Pipeline Job

Rangeland Pipe Line Co. will soon be building its first pipeline for transportation of crude oil in west-central region of Alberta. The company recently received a permit to construct a trunk line and gathering system from west end of the Joffre field to connect West Joffre, Bentley, Gilby and West Gilby.

From the Gilby junction the line will be built north of Rimbey where it will link with Texaco Exploration Co.'s extension from Westerose.

Rangeland was incorporated in Alberta on July 18 last year as a private company which is wholly owned subsidiary of Hudson's Bay Oil & Gas. President is R. C. Brown and L. J. Richards is company's secretary.

Directing operations of Rangeland is F. C. Whiteside, manager of transportation and crude oil trade for Hudson's Bay.

Rangeland was an unsuccessful applicant for permission to construct and operate a crude oil line from Westward Ho-Sundre-Harmattan area about 60 miles northwest of Calgary.

Cremona Pipelines Ltd. won that three-way competition with its application to build and operate a line from the fields to Calgary. Rangeland would have moved the crude north to Edmonton.

Trans Empire Plan W. Cdn. Purchase

An offer to purchase West Canadian Petroleums by Trans Empire Oils has been accepted by West Canadian directors, Trans Empire President J. D. Boyd announces.

Under terms of the offer all the issued shares of West Canadian Petroleums are to be exchanged for Trans Empire treasury shares on the basis of four shares of Trans Empire Oils for five shares of West Canadian Petroleums. The share exchange is subject to approval being granted by the Secretary of State and approval by shareholders of Trans Empire of an increase in authorized capital to a minimum of 10 million shares. Further details are to be announced in the near future.

Trans Empire has 2,617,750 shares outstanding and $1,615,500, of 5-5½% secured notes earlier this year. West Canadian had 6,107,298 shares issued in January.

Anacortes Strike Cuts Into Alta. Daily Output Figures

Alberta daily oil production declines a trifle in the May 28 week as producers cut back output to get within market allowables of the Alberta Petroleum & Natural Gas Conservation Board.

But an even greater factor in holding down production recently has been the strike at Shell's Anacortes refinery in the State of Washington. Save for this strike Alberta oil production would be about 38,000 bbls. a day higher.

Here are daily average pipeline receipts:

	MAY 28, 1956 Barrels per day	No. Wells	MAY 21, 1956 Barrels per day	No. Wells	MAY 30, 1955 Barrels per day	No. Wells
Daily Average Pipe Line Receipts						
Acheson	6,928	110	6,253	110	7,796	111
Bashaw	212	5	139	5	249	5
Battle	438	13	319	13	420	12
Battle South	465	14	403	14	662	14
Bonnie Glen	24,345	147	21,636	147	15,290	139
Campbell	230	14	304	14	302	15
Cessford	594	35	534	35	590	35
Clive	672	18	648	18	1,223	18
Duhamel	1,371	28	1,769	28	1,976	28
Erskine	2,871	64	2,650	62	1,031	35
Excelsior-Peavey-Legal Morinville	2,556	52	2,171	52	3,771	52
Fairydell-Bon Accord	1,799	37	1,908	37	1,346	33
Fenn Big Valley	19,542	320	19,253	319	17,165	290
Glen Park	829	16	973	16	1,581	16
Golden Spike	6,756	23	6,320	23	7,670	21
Hamilton Lake	424	29	44	29	—	24
Homeglen Rimbey	1,167	23	348	22	—	15
Joarcam	12,974	474	13,909	473	13,940	469
Joffre	7,573	238	9,837	238	30	85
Leduc-Woodbend	51,227	1,272	54,877	1,272	53,309	1,276
Little Smoky	213	3	221	3	—	—
Malmo	2,092	51	1,943	51	1,909	51
Namao	333	16	404	16	244	16
New Norway	734	18	1,176	18	727	17
Pembina	65,847	1,081	58,475	1,059	21,916	311
Redwater	60,461	905	66,131	905	73,146	920
St. Albert	454	4	256	4	310	2
Stettler	5,486	104	4,324	104	5,609	99
Sturgeon Lake	1,573	17	7,917	17	22	10
Turner Valley	4,876	303	4,835	303	6,325	303
West Drumheller	4,578	79	4,556	79	3,396	67
Westerose	3,454	19	5,035	19	1,108	19
Wizard Lake	8,944	52	7,180	52	6,788	52
Daily Average Production						
Drumheller	894	17	750	17	899	15
Lloydminster	2,740	386	3,233	388	4,136	357
Other Fields and Areas	10,830*	601	10,830*	583	8,779	420
Total	316,482	6,574	321,561	6,545	263,667	5,370

*Based on daily average for March, 1956.

W. S. Row Steps Up With Anglo-Huronian

William S. Row who has been general manager at Kerr-Addison Gold Mines has been appointed vice-president and managing director of Anglo-Huronian Ltd.

He also becomes vice-president of Kerr-Addison.

It is understood that Mr. Row will make his office in Toronto.

7,000 hp Turbine For Manitoba Mine

A 7,000-hp. water turbine is to be installed on the Laurie River, Manitoba, 100 miles north of Sherridon, early next year.

The turbine is being built for Sherritt Gordon Mines, Ltd., by John Inglis Co., Toronto, an associate of English Electric Co. of Canada.

What did . . .

"Stock Market News and Comment"

say about

MIDRIM MINING? NICKEL RIM? CAN. DEVONIAN?

EXTRACT FROM MARKET LETTER No. 760 (April 30, 1956)
"MIDRIM, recommended in Letter No. 752 at 75c, still appears dirt cheap at its present level of $1.15. Its cash position is about $500,000 and shares held in other companies, excluding STURDY MINES in which it will have a 50% financing participation plus vendors interest, have a market value of approximately $3,000,000. **Buy it for a move to $2.00."**

EXTRACT FROM MARKET LETTER No. 750 (Feb. 16, 1956)
"NICKEL RIM ($2.20) has been provided with $650,000 through exercise of all outstanding options. This gives the company a working capital of $750,000 and $1,100,000 is due from Falconbridge for concentrates. The shaft is to be deepened to 1,500 feet and milling capacity doubled to 1,500 tons immediately. You can buy this stock for a move through $3.00."

EXTRACT FROM MARKET LETTER No. 757 (April 5, 1956)
"CANADIAN DEVONIAN is my **Prime Recommendation at under $6.00.** It has a net interest of 27,000 acres in the Steelman-Frobisher area of S. E. Saskatchewan. It shares with GULF OIL 35 producing wells. The field is not de-limited yet, but expert oil men predict that **CAN. DEVONIAN's** share of this field will develop 80 million bbls. of oil! I see in this stock the nearest comparison I can find to MERRILL PETE and the Pembina field. I was ahead of everybody at that time in predicting Pembina would become the biggest field in Canada, and strongly recommended MERRILL PETE in the $3 range—MERRILL PETE is now $20. Well, to be conservative, I am now calling CANADIAN DEVONIAN for $10, as drilling proves my point."

RECENT MARKET PRICE OF MIDRIM $1.70
RECENT MARKET PRICE OF NICKEL RIM 4.25
RECENT MARKET PRICE OF CAN. DEVONIAN 7.50

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Market Comment: a panel of outstanding Canadian investment advisers gives its interpretations of market trends.

Managed Investment: Watch the actions of the managers of the Compton and McNab accounts.

The Beaver Club: the operation of an actual investment club. All transactions are live. See how this club fares in comparison to your own.

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ADDRESS _____

CITY and PROVINCE _____

NATURE of BUSINESS _____

FP-16

We asked these retailers...

MR. GEORGE BENNETT
Bennett's Food Market, Kingston, Ont.

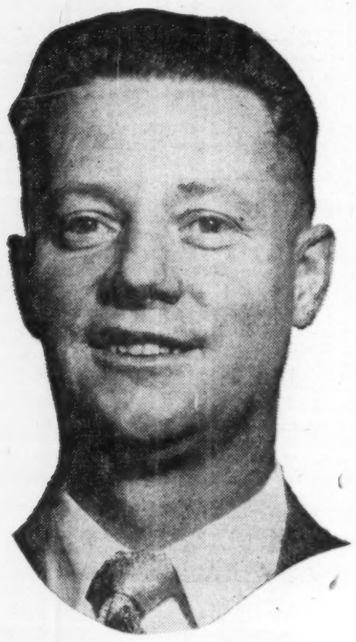
"The advertising of national brands in Weekend is excellent."

MR. CHARLES HILL,
Rowland Hill Shoe Store, London, Ont.

"I think the advertising in Weekend is topsl"

MR. MAX FELDMAN,
St. Henri Syndicate, Montreal, Que.

"The advertising in Weekend certainly creates consumer acceptance."



MR. T. A. ROGERS,
Adam's Radio Parlours Ltd., Calgary, Alta.

"Customers come in and ask for brands advertised in Weekend."

MR. J. BARRETT,
Kohler's Drug Store, Hamilton, Ont.

"Advertising in Weekend is good—it keeps sales up!"

Advertising in WEEKEND Magazine finds enthusiastic acceptance among retailers. We found out by talking to them in their own stores.

There are good reasons. As part of the week-end editions of their own daily newspaper, WEEKEND goes into most of their homes. They look upon it as part of their hometown life, sharing the prestige and preference of their local newspaper.

Retailers see your advertising when it is in WEEKEND and are quick to realize that it is doing a job in their own community, among their customers. This is vital to them.

WEEKEND's coast-to-coast circulation is 1,450,000—a whopping 500,000 more than any other publication in Canada. It is the largest single magazine audience ever assembled in Canada to which you can tell your story in color or monotone.

WEEKEND Magazine not only has the largest circulation of any magazine in Canada. It also has the lowest color page cost per thousand in the English field. That's another reason why WEEKEND Magazine in 1955 topped all other magazines in advertising dollar volume—for WEEKEND is the top-value buy in the magazine field in Canada.

1,450,000 NET PAID CIRCULATION

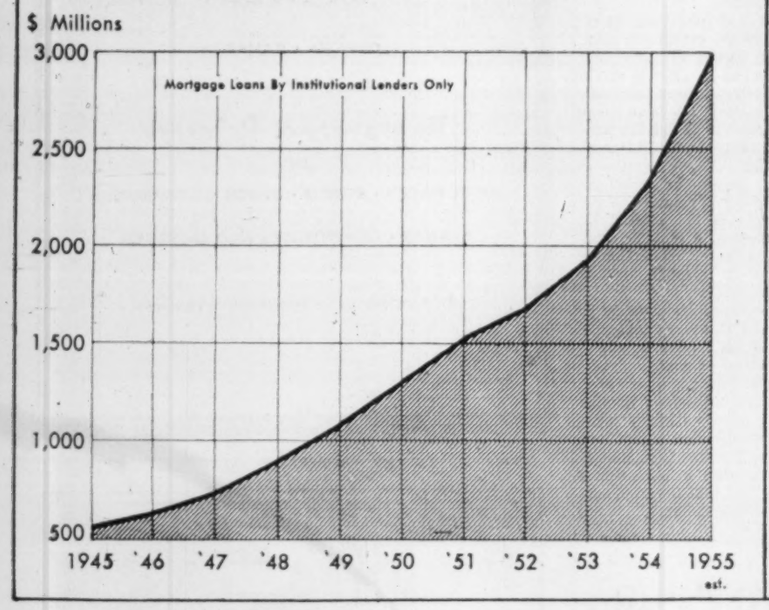
The biggest single selling force in Canada

Weekend
MAGAZINE

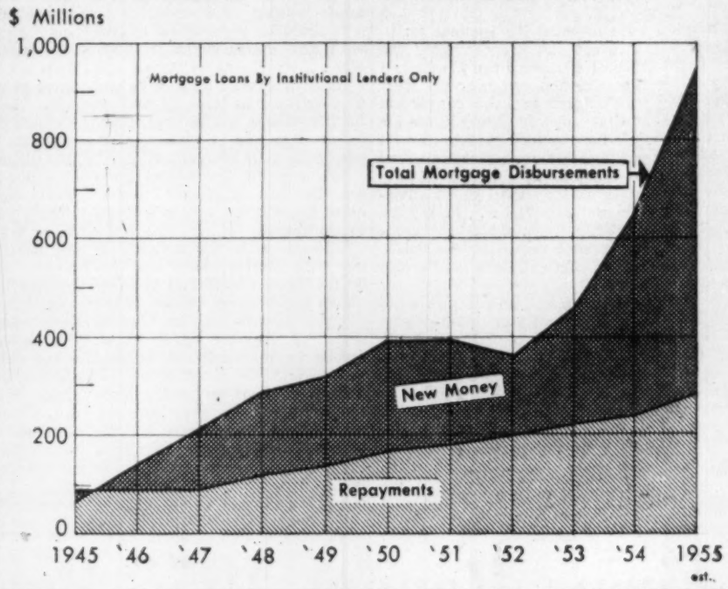
The Financial Post

Vol. L | Twenty Cents an issue, Six Dollars a Year | Publication Office: Toronto, June 9, 1956 | Member of Audit Bureau of Circulations | No. 28

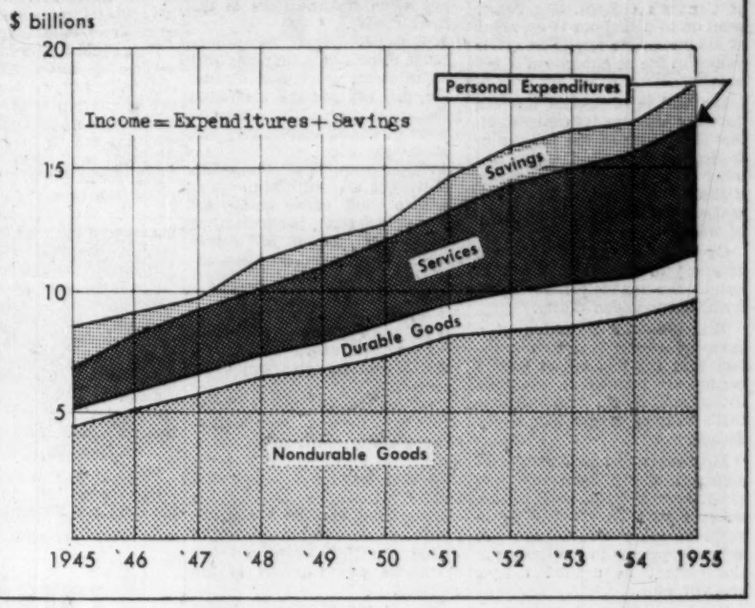
Fast Growth in Mortgage Loans in Past 10 Years . . . .



Is Supported By New Money, Repayments on Present Loans . . .



And a Steady Increase in Personal Disposable Income



Is Home Mortgage Load Getting Dangerous?

- *Two Basic Government Policies Are Clashing*
- *One Sees Social, Economic Need For New Homes*
- *Other Clamps Credit, Cuts Back Mortgage Cash*
- *Here's Special Report On What Might Happen*

By DALTON ROBERTSON

In these postwar years Canada is pouring billions into building up its stock of housing.

Forecast for 1956: Housing expenditure to top $1.5 billion.

With prosperity and population Canada is fast changing into a highly urban and industrial society.

By 1975 cities and towns will double in size.

This heavy investment, say economists, is a good thing. House building is a prop for prosperity.

But what about the danger of too big a mortgage load?

Residential construction is financed largely by time payments. Future income is committed and in substantial amounts. So while there's been a record-smashing building boom — one that has steadily gathered speed since the end of the last war — there's also been a soaring of mortgage debt.

And why not, ask the young house-buyers. "If I am going to earn from $100,000 to $150,000 in my working life, $12,000 to $15,000 is not too much to pledge for a house I can live in."

But so sharp has been the recent rise in mortgage debt on both new and existing housing that murmurs of "it's too much" are already being voiced.

Behind the apprehension heard in some quarters are these facts:

- Canada's stock of housing jumped 11.6% from 2.8 million dwellings early in 1945 to 3.1 million at the beginning of 1950. Since then there's been a 21% increase — all told this means the stock of homes has been added to by one third in the postwar years;
- Institutional lenders — life insurance companies, banks, trust and loan companies — report mortgage debt outstanding on their books is 442% greater than at the end of the last war. Loans have climbed from $553 million at the end of 1945 to top an estimated $3,000 million by the end of last year;
- The rate of increase in institutional loans is accelerating. Total outstanding is now half again as large as it was two years ago.
- This is only half the story. It is calculated that noninstitutional lenders — the builders, the small investors and others — hold mortgages worth about as much as those on the books of the big companies who make mortgage lending their business.

Worriers Watch Decade's Debt

Those who worry about rising mortgage debt look at it this way: Yearly additions to institutional mortgage loans outstanding over the past 10 years average $244 million per year. During 1954 the net addition (new loans minus repayment on old loans) was $414 million or double the average. In 1955 it is estimated that the net increase was $650 million or not far from three times the postwar average.

With personal after-tax income rising on a per capita basis by only 65% in the same years, they argue, this is too fast a rate to be kept up without undermining the economy's steady growth.

What happens if there's an easing in the boom? Even a temporary "readjustment"? Or a sharp shaking down? If too heavy a share of tomorrow's income is committed, and then that income becomes smaller, it's going to be painful for both the economy and the mortgage holders.

Borrowed dollars invested in houses, stoves, furnaces and furnishings have stimulated not only the industries producing these but the whole economy. But fast-paced production built on growing debt, may only mean that we're in danger of outrunning the long-term market by overproducing now.

Those who range themselves on the optimistic side, and it is here that Ottawa places itself firmly, list these reasons for believing high is not too high:

- Competition for borrowed dollars is going to be keen enough to keep mortgage debt within bounds.
- Mortgage repayments are still running at a healthy 9% to 10% of loans outstanding.
- Current increases in GNP and personal disposable income are both a backing for a high rate of mortgage lending and brought about in part by that same high rate.
- Fast rates of family formation and one of the highest rates of population growth in the world call for an expanding home-building program.

Just how bullish the Federal Government is about the future of house building is revealed in the Central Mortgage and Housing Corp. brief to the Gordon Commission:

"The expansion of Canada's housing stock over the next 25 years will, at current costs, require the investment of some $35 billion or more than the total value of residential real estate at the present time. Such an investment would require about $20 billion in the form of mortgage credit and the remaining $15 billion in the form of equity investment by the new property owners."

This estimate does not include new lending on old houses. With call for a substantial volume of funds, CMHC points out, mortgage lenders will have to be prepared not only to reinvest payments in mortgages but also to invest new funds.

Mortgage repayments are considered an important source of funds for new mortgage lending by the institutional lenders. And the relation they bear to debt outstanding is regarded as an important indicator of whether or not the debt burden is getting too heavy.

On average, repayments have been about 10% of loans outstanding throughout the postwar years. At the beginning of that period they were running over 13%; today they are slightly below 10%. This shrinking is not looked upon as an indication debt burden is getting out of hand. With the large-scale extension of new mortgage credit in recent years, repayments cannot be expected to have a full effect immediately.

Our Population Needs Houses

Canada's fast-paced population growth — currently showing a net yearly increase of 2.7% — is expected by most economists to be a firm foundation for business expansion over the next quarter century. Its demands for an ever-increasing volume of goods and services will, it is reasoned, provide yearly additions to gross national product that will in turn provide the income needed to handle a continuing high level of mortgage debt.

Personal after-tax income hasn't risen as fast as mortgage debt, but there's more money available for durables such as housing after income earners have budgeted for essential needs. In the postwar years, spending on the essentials — services and nondurables such as food — has risen 141%. But this growth has been overshadowed by the 206% increase in spending on durables including houses and the equipment they require.

In the U. S. there are charges that mortgage debt in that country is snowballing out of control. It's over four times as large as it was at the beginning of the postwar period and its quickening rate of growth is considered by one American business magazine as "twice as fast as it should be for the good of the economy."

Since year-by-year increases have been of a similar nature in Canada (the rate of increase is even somewhat faster), this has made some businessmen take a second look at such debt here.

But there are several important differences between the two countries as far as mortgage debt is concerned. These lend strength to the stand that Canada's mortgage debt is not growing at "dangerous" rates.

1 Total paid-up equity in Canada's stock of housing is a little higher than that in the U. S. Full figures are not available, but it is estimated that Canadians own about 5% to 10% more of their houses than do Americans.

2 The practice of "open-end" mortgages which in effect add new debt to existing debt by lengthening the total period of indebtedness is not at all widespread in Canada.

3 The mortgaging of paid-for properties — borrowing on old houses for other spending — is not the decided trend in Canada that it is in the U. S.

Worry in the U. S. about too-sharply growing mortgage debt revolves largely around the last point, borrowing on existing houses. In a boomtime period this extra cash is likely to be used for consumer durables and a good part of it finds its way into the stock market.

This, say some American commentators, is too redolent of the 1920s to be entirely palatable. In the 1920s, they say, the first imbalances rose through overproduction of consumer durables and housing. Rapid mortgage debt expansion and easy credit stimulated these industries. But stability built on debt is bound to lead to inevitably painful adjustments.

We Borrow On Old To Buy New

For two good reasons, this is not the case in Canada. In the first place, borrowing on existing houses is used as a means of financing the purchase of new housing and not, by and large, to invest in consumer durables or in the stock market. So essential is this source of funds for house building that CMHC told the Gordon Commission:

"At least one third of new dwellings are built, or purchased, by those who are already home owners. Their demand for new dwellings is dependent on their ability to sell old ones. This in turn is dependent on the availability of mortgage credit to facilitate transfers in the chain reaction set in motion by the additions to the dwelling stock."

Secondly, there is no thought in official quarters that there is any danger of a housing glut. For both social and economic reasons, Ottawa is committed to foster an extensive house-building program and goes far toward stimulating credit to finance builders and individual purchasers.

In its Gordon Commission brief CMHC stated:

"It is estimated that the number of new dwellings to be built in the next quarter century will be about 3.4 million. (Today's stock is 3.8 million.) The annual rate of house building will not rise greatly during the next 10 years, but after 1965 there will be an acceleration of building in response to the higher rate of family formation that will then take place."

Right now Ottawa is worried — badly worried — that enough mortgage money will be available, especially this year. First indications of this came in early March when, faced with generally rising interest rates, Public Works Minister Robert H. Winters announced an increase in the maximum interest on insured loans under the National Housing Act.

"It is the expressed policy of the Government to adjust the mortgage interest rate (to) attract on the market adequate mortgage funds . . . An increase is necessary now so that builders and home owners will have continued access to mortgage funds under NHA," he stated in the House of Commons.

This stimulating of mortgage credit is part of a long-standing policy that started with the establishment of Central Mortgage and Housing Corp. Amendments to the National Housing Act have from time to time made it easier for would-be house owners to make their down payments and pay the required installments. And new sources of mortgage credit such as the chartered banks have been encouraged to enter this lending field.

But in spite of these measures, 1956 may well see a decrease in the growth rate of mortgage indebtedness. Total housing loans for 1956 may drop 15% to 20% below 1955's level. It's a case of two government policies clashing.

In its effort to curb general credit expansion and eliminate the possibility of inflation, the Government has encouraged a tightening of bank credit and higher interest rates. At the same time business's 1956 plans for capital expenditures are 21% higher than a year ago. In the ensuing scramble for money, mortgage credit is being hard hit in spite of government encouragement to mortgage lenders.

Big lenders in the field have signaled they are cutting back on mortgage additions to their investment portfolios.

The dominant institutional lenders are represented in the Dominion Mortgage and Investments Association. At this organization's recent annual meeting Ross A. Poyntz, out-going president, stated:

"It is unlikely that the amount of money available from member companies for investment in mortgages can continue to show the same rate of increase as has been experienced in recent years . . . It would not be surprising if loan approvals for the full year 1956, although still at a high figure, were lower than those of 1955."

This prediction means that in spite of the gathering speed of mortgage lending, increasingly scarce money supplies in 1956 may well force the turning of the mortgage lending trend.

The supply of 1956 mortgage money will be determined to a great extent by the decisions of the big institutional lenders:

Life insurance companies are the giants in the field. They now hold about 70% of all institutional mortgages outstanding whereas their share of the business was only 59% at beginning of the war. It is estimated that the insurance industry is pouring over $500 million a year (including repayments) into mortgage loans. This sum represents well over two thirds of all new investment made during a year by the life companies.

In order to invest heavily in mortgages the life companies have, since the end of war, reduced government bond holdings from 61% of assets to 27%. With bonds making up a smaller proportion of a growing total of assets, holdings of corporate securities, mainly bonds, have increased substantially while mortgage loans have tripled going from 10% to 30% of portfolio holdings.

But insurance companies indicate that this rapid growth of mortgage holdings will slacken in 1956. Mortgage money was plentiful in the first 10 months of 1955 while since then it has become steadily less abundant in response to recent credit-tightening trends.

Trust and loan companies which are members of the Dominion Mortgage and Investments Association held 33% and 75% of assets in mortgages at the end of 1955. By contrast, in 1949 trust companies reported 28% of assets were mortgages and loan companies, 66%.

As in the case of the life insurance companies, it is thought that the trust and loan institutions will cut back on extensive new mortgage lending in 1956.

Chartered banks, which just entered the mortgage lending field late in 1954 as a result of Bank Act amendments, plunged quickly into this form of investment. They are restricted to making only NHA mortgage loans.

Banks No Longer Fight To Lend

By the end of 1955, mortgages outstanding on the banks' books totaled almost $300 million, about $225 million higher than a year earlier. So keen was the competition for the commitments of would-be borrowers early in 1955 that the banks lowered interest rates one quarter of one per cent below the legal maximum.

Although throughout 1955 the chartered banks made mortgage loans at an accelerating rate, early 1956 saw a decided easing in the rate of increase. With all types of bank loans showing sharp increases — and a need within the banks to build up a secondary reserve of Treasury Bills in accordance with Bank of Canada suggestions — the chartered banks are now finding it necessary to re-examine mortgage-lending policies and continue to slow the rate of new lending.

Individual house buyers as well as builders show no signs of postponing ambitious buying and building plans. This means that the big institutional lenders are faced with a greater demand for mortgage money than they can easily accommodate.

The problem is by no means acute. But it is serious enough to more than ease worries that mortgage debt is mounting too fast for the economy's good. Right now, it can't.

At the moment there are indications Ottawa is badly worried about this unwanted byproduct of its central bank's credit-curtailing moves. Steadily expanding supplies of housing are considered by the Federal Government to be socially and economically desirable. But as a medium of investment, mortgages have to compete with other forms of investment for the economy's idle dollars.

If mortgage interest rates prove not high enough to attract a sustained flow of investment money, this leaves Ottawa with two courses: (1) Considering boosting NHA mortgage loan interest rates. (2) Encouraging the sale of blocks of NHA mortgages to nonapproved lenders such as U. S. investment groups or pension funds.

Government circles have hoped for some time that the banks would look upon their mortgage-lending function as one that facilitates mortgage lending through an easy arranging of credit rather than as one whereby mortgage loans would always be considered as permanent additions to bank investment portfolios.

So far the banks have been somewhat reluctant to sell mortgages. However, with a scarcity of cash for lending generally, their attitudes may change. Block sales, or even some methods of borrowing against the mortgages, would provide dollars for new mortgage lending as well as for other purposes.

If over the next few months Federal Government officials take steps to maintain the flow of mortgage lending, it's a sure indication that they, for one, are not apprehensive that mortgage debt is getting out of hand.

Pessimists Worry . . .

Those who see danger in soaring mortgage debt build this case for caution:

- We've added a whacking one third to our housing stock in the postwar years, filled these houses with consumer durables (many also bought on time) and are in danger of outpacing the long-term market.
- Mortgage debt on the books of the big lenders is now well over five times what it was in 1945, but for social and political reasons as well as "economic," the Government is committed to urge still more building, more borrowing.
- The rate of debt increase is quickening, with 1955's new debt almost three times the postwar annual average.
- Meanwhile personal income (after taxes) to support this bigger borrowing has climbed only 117%.

We can stand it now, they say, because times are prosperous. But with so much of tomorrow's income committed — and often committed by those whose are really not in a position to buy but must because of scarce rental housing — there'll be a painful squeeze should the boom ever slow down.

Optimists Say . . .

Those who see big building, big debt, as only a healthy reflection of the "real" gains made since 1945 say:

- There can be no let-up in the build-and-borrow pace because with today's 2.7% net increase per year in population, Canada's one of the fastest growing countries in the world. We added 33% to housing but we've also added almost as many families since 1945.
- Mortgage debt may be rising fast, but repayments are increasing too. At current rate, repayments could retire all existing debt in 10-11 years.
- Although personal income after taxes hasn't risen as much as mortgage debt, there's more money available for durables such as housing after essential needs have been met.
- House building is a stimulus to the whole economy — especially to domestic industry — and since we're only building as fast as the fully employed, increasingly highly paid population, we can stand a steadily increasing dollar debt.

Right now, there's a danger that not enough mortgage money will be available to finance even as large a house building program as last year's.

Have You Planned Your Will Far Enough Into Future

Estate Consultants Offer These Hints For Protection

"This is the last will and testament of me, Sir James Hamet Dunn, of the Town of St. Andrews . . ."

Thus began the recently probated will of one of the wealthiest of Canada's citizens. Sir James went on to parcel out to members of his immediate family an estate valued in the neighborhood of $66 million.

His will is of special interest, not only because its contents affect the future of the Dunn-controlled Algoma Steel Corp. and other companies, but also because it illustrates some of the considerations involved in drawing up of wills.

Over half of the $66 million is expected to go not to the heirs but to the tax collectors in the form of succession duties.

This dramatic shrinking of a princely bequest brings home the fact that taxation is not only a permanent feature of everyday living and dying, it's also one that's looming larger with every decade.

Fifty years ago, Sir James' beneficiaries would have inherited somewhere around 95% of the entire estate. As recently as 15 years ago they would have lost only one quarter to the Dominion Government as against today's one-half plus.

But in a democratic state committed to an ever-widening range of social benefits, the succession duty levy has become steadily heavier and there's every indication this trend will continue.

With such duties taking a bigger bite out of estates, businessmen are making a concerted effort to arrange their affairs to save unnecessary taxation, whether their estate is $66 million, $66,000 or somewhere in between.

It's never too early to start planning in detail for your estate's disposition, say tax consultants and estate advisers. Careful advance planning can make a big difference to the total protection your famliy has after you are no longer able to provide directly for them.

These are some of the points they make:

- Draw up a will immediately even if it is to be amended and re-amended. The absence of a will can cause delays, hardship and often financial loss to the beneficiaries.
- Consider what the long-range effects of your plans will be in terms of current income tax, gift tax and the inevitable succession duties. There may be ways of saving unnecessary tax payments.
- Make sure that the will's provisions are sufficiently flexible to work under many sets of circumstances, particularly if as in the case of Sir James Dunn, substantial business interests are involved.
- Prove the will after drawing it up to make sure your intentions work out mathematically the way you want them to, with tax considerations carefully calculated.

Tax savings through a "trust will" have won a large degree of popularity in recent years. Under this arrangement where a man dies leaving a widow and children, the wife receives the income from the estate and has power to encroach on capital should the need arise. On her death the estate passes to the children.

Savings are substantial under this arrangement. Kris C. Morris, in a recent talk to the Chartered Institute of Secretaries, estimated that in the case of a $250,000 estate, succession duties could be 50% smaller under a trust will than under an outright bequest to the widow who then in turn left the after-tax total to her children. This practice is widely used to avoid double taxation when it is intended that the children will be the ultimate beneficiaries of the entire estate.

No Savings

Under the provisions of the Dunn will, no attempt was made to obtain savings through this arrangement. After taxes, one half of the total is to go to Sir James' widow while the remaining half is to be divided equally among his five children and one grar child.

Estate advisers maintain there is much to be said for reducing the value of an estate by making gifts while alive. This is particularly applicable if current income is more than required. In effect this reduces the succession duties eventually to be paid, and to the extent it reduces capital, it reduces income tax on the income from such invested assets.

It is important to know what is permissible under gift tax regulations. In any one year any number of gifts up to $1,000 per person may be made. One major tax-free gift can be made each year as long as it does not exceed $4,000 or half the difference between the taxpayer's taxable income in the previous year and the income tax paid on it, whichever is the greater.

It should be remembered that while these gifts are free of gift tax, they may be subject to succession duties. Gifts are liable for Dominion succession duties if they are made less than three years before the death of the testator and for provincial succession levies if made less than five years before death.

Flexibility Vital

Make your will properly flexible. That's the advice estate planners are stressing today. Its provisions need to be specific to the extent that trustees get enough valuable direction and fully understand the testator's desires. But it has to be flexible enough for trustees to order their activities in line with current economic—and family—conditions.

Sir James Dunn's case provides a good example of a very flexible will. Since vast business interests are involved this is doubly important.

He directed his trustees to:

"Invest and keep invested the general balance of my estate. I authorize and empower my trustees to postpone the conversion of all or any part of my estate for such time as they may think best and to sell and convert from time to time such portions of my estate as they shall deem advisable and to invest . . . in any investments . . . deemed reasonably secure not being limited to investments expressly authorized by law."

In order to allow a profitable liquidation of his estate over time, but not bind his heirs to a tight and predetermined schedule, Sir James instructed the trustees:

"I direct my trustees to pay the income from each of the . . . shares to the person for whom such share is set apart and at the expiration of 25 years from the date of my death or at such earlier time or times as any four of my trustees including my wife Marcia shall determine to pay the capital of each share to the person for whom such share is set apart."

Allow Discretion

Sir James gave to his trustees the broadest powers, allowing them to exercise the same range of discretion as he would have if he were administering his estate himself.

"I authorize my trustees to deal with any shares or other interests . . . to the same extent and as fully as I could do if alive and in particular to take up new or further shares, rights and interests and to join in plans for reconstruction or reorganization. . ."

While giving the widest powers, he also expressed preferences but did not tie his trustees to his desires.

"Except with the consent of my wife Marcia Dunn and my friend Gordon McMillan as executives and trustees, 700,000 of the common shares of the capital stock of Algoma Steel Corp., owned by me shall not be sold before 1975."

Having set out the powers of the trustees and the specific bequests, checks must be made on the mathematics of the document. Proving the will mathematically taking account of taxes gives the testator a chance to see exactly how his bequests will work out in dollars. If there is a provision that the rest is to go to the widow after specific bequests have been paid—is her dollar share what it is intended to be?

Estate planners emphasize these points:

—Keep a will up to date because the changing value of your estate may invalidate your bequest intentions.

—Watch how changing economic and estate conditions alter the dollar results of your will if it is couched in general terms such as one-tenth share, residual, etc. There may be from time to time reason to revise the proportions allotted to different beneficiaries.

—Don't forget to calculate taxes carefully in relation to the liquid assets in the estate. To meet tax levies, it may be wise to liquefy a larger proportion of assets and to arrange or rearrange insurance.

Most important of all considerations when it comes to planning your dependents' future, however, is the existence of a will. Without one, your estate is distributed under the Devolution of Estates Act. This arbitrary disbursement does not necessarily carry out your wishes, it means there's been no chance to plan to save unnecessary tax payments, and it can cause hardship and delay.

Trust Firms Report 1955 Progress

Sterling Trusts

Sterling Trusts Corp., with head office in Toronto, has branches in Barrie, Ont., and Regina.

Net profit for 1955 was $139,179, 10.7% higher than net profit of $125,763 for 1954. Earnings per share were $3.03 ($2.75 in previous year) and dividends amounted to $1.80 ($1.60) per share.

Guaranteed trust account at Dec. 31, 1955 stood at $9,910,180 ($9,048,914). Estates trusts and agencies account totaled $9,495,813 ($9,129,704). Assets on capital account amounted to $1,598,471 ($1,522,076).

Capital stock includes 100,000 $20 par shares authorized, of which 47,010 shares have been issued. A total of $918,619 ($914,970) has been paid on these shares. Reserve fund was $525,000 ($475,000) and profit and loss account was $70,063 ($63,290).

Toronto General

Toronto General Trusts Corp., with head office in Toronto, has branches in Ottawa, Toronto, Windsor, Ont., Montreal, Winnipeg, Regina, Saskatoon, Calgary, Edmonton and Vancouver.

Net profit for 1955 was $381,922, 13.3% higher than net profit of $337,045 for 1954. Earnings per share were $2.55 ($2.25 in previous year) and dividends amounted to $1.40 ($1.40).

Estates, trusts and agencies account at Dec. 31, 1955 amounted to $383,529,810 ($359,860,940). Guaranteed trusts account totaled $51,506, 771 ($47,804,987), including $22,893,182 ($18,813,328) guaranteed investment certificates and $28,613,589 $28,991,659) deposits.

Capital stock consists of 150,000 shares, $20 par. Reserve fund amounted to $3.2 millions ($2.8 millions) and profit and loss account $240,634 ($68,712).

Victoria & Grey

Victoria & Grey Trust Co., with head office in Lindsay, Ont., has branches in Belleville, Cannington, Kingston, Owen Sound and Peterborough, Ont.

Net profit for 1955 was $396,715, 53.9% higher than net profit of $257,734 for 1954. Earnings per share, based on shares outstanding, were $1.88 ($1.28 in previous year) and dividends amounted to 80c (80c) per share.

In January, 1956, the quarterly dividend was increased to 25c from 20c effective March 15.

In October, 1955, shareholders were issued rights to subscribe for additional stock at $17 per share. All authorized stock was taken up, thereby increasing paid up capital by $403,000.

Shareholders at the annual meeting in February, 1956, approved increase in authorized capital to $3.5 millions from $2.5 millions.

Estates, trusts and agencies account at Dec. 31, 1955 totaled $10,607,133 ($10,523,840) guaranteed trust account amounted to $42,932,141 ($37,951,778), including $26,125,818 ($24,186,451) guaranteed trust certificates and $16,806,323 ($13,765,357) trust deposits.

Capital stock at year-end amounted to $2,418,000 ($2,015,000) general reserve fund amounted $2 millions ($1.5 millions) and profit and loss balance was $2,444 ($59,569).

Waterloo Trust

Waterloo Trust & Savings Co. has its head office at Waterloo and its executive office at Kitchener, Ont. Other branches are at Galt and Preston, Ont.

Net profit for 1955 was $171,316, 11.8% higher than net profit of $153,244 for 1954. Earnings per share were $1.71 ($1.53 in previous year) and dividends amounted to $1.20 ($1.20) per share.

Estates, trusts and agencies account increased to $23,498,870 ($22,156,178) at Dec. 31, 1955. Guaranteed trust account amounted to $37,702,721 ($35,435,040), including $11,200,332 ($9,905,927) guaranteed investment receipts and $26,502,389 ($25,529,113) trust deposits.

Paid up capital at year-end was $2 millions ($2 millions). General reserve amounted to $1 million ($900,000) and profit and loss balance $41,464 ($40,148).

Western Trust

Western Trust Co., with head office in Winnipeg, has branches in Regina and Edmonton.

Net profit for 1955 was $82,240, 3.1% lower than net profit of $84,845 for 1954. Earnings per share were $8.18 ($8.48 in previous year) and dividends amounted to $7 ($7) per share.

Estates, trusts and agencies under administration at Dec. 31, 1955 amounted to $4,591,684 ($4,411,781). Guaranteed account totaled $22,548 ($29,965) and capital account amounted to $1,690,059 ($1,680,530).

Authorized capitalization consists of 20,000 $100 par shares of which 10,050 have been issued. General reserve totaled $330,000 ($330,000) and profit and loss balance $286,625 ($274,735).

Premier Trust

Premier Trust Co., with head office in Toronto, has branches at St. Catharines and London, Ont.

Net profit for 1955 was $72,955, 7.8% higher than net profit of $67,731 in 1954. Earnings were $6.16 ($5.72) per share and dividends amounted to $4 ($4) per share.

Estates, trusts and agencies account totaled $6,834,692 at Dec. 31, 1955 ($6,819,321 a year earlier). Guaranteed trust account stood at $9,870,638 ($7,211,930), including $2,535,411 ($2,687,018) trust deposits and $7,335,228 ($4,524,911) guaranteed investment receipts.

Capital stock consists of 12,250 shares, $100 par, authorized and all outstanding, on which $1,184,546 has been paid. Reserve fund was $300,000 ($200,000) and undivided profits balance stood at $48,192 ($122,620).

Prudential Trust

Prudential Trust Co., with head office in Montreal, has branches in Toronto, Regina, Edmonton, Calgary and Vancouver and agencies at Red Deer, Alta., Winnipeg and Halifax.

Net profit for 1955 was $9,286, compared to net profit of $213 for 1954. Earnings per share were 53c (0.012c in previous year) and dividends amounted to 50c (50c).

Estates, trusts and agencies account at Dec. 31, 1955 amounted to $17,585,830 ($16,634,010). Assets totalled $544,356 ($528,409), including $169,477 ($161,148) investments in bonds and stocks of other companies.

Authorized capital stock comprises 100,000 shares, $10 par, of which 17,527 are outstanding and fully paid. Reserve fund amounted to $100,000 ($100,000) and surplus $245,059 ($235,469).

Société Nationale

Société Nationale de Fiducie has its head office in Montreal. It administers trusts and estates and acts as trustee, transfer agent and registrar for stocks and bonds.

Net profit for 1955 was $83,672, 5.1% higher than net profit of $79,607 for 1954. Earnings per share were $3.35 ($3.18 in previous year) and dividends amounted to $1.50 ($1.40) per share.

Estates, trusts and agencies account at Dec. 31, 1955, amounted to $41,975,068 ($39,659,557) and guaranteed trust funds totaled $4,316,609 ($4,481,486). Assets on capital account amounted to $1,096,471 ($1,057,887).

Capital stock at year-end included 25,000 authorized and issued $10 par shares. General reserve was $610,000 ($570,000) and profit and loss account stood at $130,940 ($124,768).

Sherbrooke Trust

Sherbrooke Trust Co., Sherbrooke, Que., net profit for 1955 was $49,047, 12.3% higher than net profit of $43,667 for 1954. Earnings per share were $16.35 ($14.56 in previous year) and dividends amounted to $7 ($7) per share.

Estates and trust account at Dec. 31, 1955 amounted to $12,140,344 ($11,018,876) and deposits and debentures totaled $3,197,916 ($3,078,795. Total assets were $4,502,182 ($4,268,876).

Capital stock at year-end included 5,000 authorized shares, $100 par, of which 3,000 were issued and fully paid. General reserve amounted to $400,000 ($350,000) and earned surplus was $44,687 ($66,641).

Royal Trust

Royal Trust Co., with head office in Montreal, has branches at Calgary, Charlottetown, Edmonton, Halifax, Hamilton, London, Montreal, Ottawa, Quebec City, Saint John, N.B., St. John's, Nfld., Toronto, Vancouver, Victoria, Winnipeg and London, Eng. (agencies at Kingston, Lethbridge and Port Arthur).

Net profit for 1955 reached a record $1,024,883, 24.1% higher than net profit of $825,882 for 1954. Earnings per share in 1955 on new $5 stock were $2.23 against $2.07 on same basis in 1954.

Dividends on new $5 par stock are currently being paid at $1 per annum, since initial quarterly payment of 25c in Feb., 1955. Bonuses of 20c and 25c were paid with February dividends in 1955 and 1956 respectively. Company split stock on a four-for-one basis in January, 1955. Under a rights offering which expired March 31, 1955, shareholders purchased 50,000 shares, $5 par at $20 each, on basis of one additional share for each eight held. A further 10,000 shares were taken up during year through an offering to employees.

Value of the shares has been established at $31 each ($30).

Total assets under administration at Dec. 31, 1955 reached a record $1,447,777,045 ($1,315,291,373 a year earlier). This included estates, trusts and agencies totaling $1,348,533,829 ($1,240,815,229) and guaranteed trust account assets of $99,243,216 ($74,476,144). Assets owned by the company amounted to $18,231,557 ($16,743,780).

Capital stock paid up at year-end totaled $2.3 millions, consisting of 460,000 shares, $5 par. Reserve amounted to $6 millions ($5 millions) and undivided profits to $2,330,970. ($2,028,587).

Canada Trust

Canada Trust Co., London, is 96% owned by Huron & Erie Mortgage Corp. The company maintains branches in London, Toronto, Hamilton, St. Thomas, Chatham, St. Catharines, Guelph, and Windsor, Ont., Montreal, Re-

(Continued on page 51)

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How Trust, Loan Stocks Are Doing

	Price Per Share				Change		
	Recent $	Dec. 31/55 $	Dec. 31/54 $	Dec. 31/50 $	Since '55 %	Since '54 %	Since '50 %
Can. Permanent Mortgage	87¼	90	84¾	49½	—2.1	+2.9	+76.3
Chartered Trust	66	55	46	33	+20.0	+43.5	+100.0
Crown Trust	23½	25½	18	12¾	—7.8	+30.6	+84.3
Guaranty Trust	20	20	18½	13	....	+8.1	+53.8
Huron & Erie Mortgage	37	39	31	24.7	—5.1	+19.4	+49.8
Montreal Trust*	27	23	21	15	+17.4	+28.6	+80.0
National Trust	42	40¾	39½	29¾	+3.1	+6.3	+41.2
Ontario Loan & Debenture	27⅛	27½	26⅛	27	—1.4	+3.8	+0.5
Premier Trust	82	80	80	58	+2.5	+2.5	+41.4
Royal Trust*	31	30	26¼	23¾	+3.3	+18.1	+30.5
Sterling Trusts	48	47½	42	26	+1.1	+14.3	+84.6
Toronto General Trusts	37	36½	36¾	37	+2.4	+0.7	....
Toronto Mortgage	114	117	106	125	—2.6	+7.5	—8.8
Victoria & Grey	25	22	21⅝	19	+13.6	+15.6	+31.6
14 companies					+3.2	+14.4	+47.5
DBS Investors Price Index	260.6	248.8	212.1	150.3	+4.7	+22.9	+73.4

*Book stocks; prices set annually by company. Note: Prices adjusted for stock splits where applicable.

Not the market movers that some stocks are, and lacking much in glamour, the trust and loan stocks nevertheless have been gaining in value in recent years.

In the first five months of this year, they have edged forward just over 3% compared with just under 5% for stocks in general.

In an accompanying table, 14 trust and loan issues are shown. Of these, eight have increased in price, one is unchanged and five have declined since Dec. 31, 1955, for average gain of 3.2%. In the same period, the Dominion Bureau of Statistics Investors Price Index of 96 stocks has risen 4.7%.

In the past five years, while the DBS index rose 73.4%, the 14 trust and loan stocks moved ahead by 47.5%. Since the end of 1954, the respective increases have been 22.9% and 14.4%.

Most of the stocks in the group were selling below their prices in mid-February when their good 1955 results were becoming known. Since that time, investors evidently have decided that problems facing the companies in 1956, plus a generally uncertain market, call for a more conservative valuation of trust and loan company stocks.

One major problem facing the companies right now is rising interest rates. Many of the firms raise money by selling guaranteed investment certificates, and they are having to offer a 4% return on these compared with 3½%-3¾% before.

With the higher yields available on other types of securities now, there is considerable attraction for the trust and loan firms to switch their new investment funds into these other channels.

It is the general, persistent long-term growth of the trust and loan firms which has helped push the prices of their stocks higher.

Most of them are selling at prices higher than stocks in general, in relation to their earnings. Yields are conservative — they average 3.78% for the 14 companies studied against average 4.14% level for common stocks as reported by Moss, Lawson & Co.

This undoubtedly reflects in addition to the steady growth, the relatively stable nature of the business, for which the investor is willing to pay some premium.

This cuts down their earnings on existing investments, although it can be offset to some extent by the higher yields available on some of the investments in which new money is being reinvested.

Despite this dislocation caused by the rise in interest rates, business of the companies continues to grow.

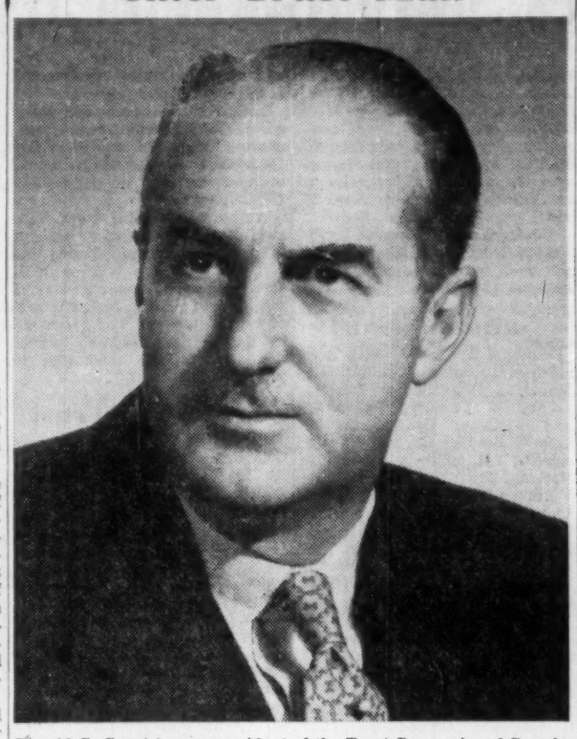
Active stock markets have meant big transfer business for the firms which handle this type of work. More and more people are turning over their estates to trust companies, as well as management of personal trusts. Real estate departments of the firms have been steadily increasing their business, many of them handling the growing real estate business being done by foreign investors in Canada.

Changes in holdings of the member trust and loan firms of the Dominion Mortgage & Investments Association reveal the investment operations of the companies in the past year. The trust firms reduced their holdings of Government bonds by $12 million to $247 million, increased corporate bonds and stocks by $10 million to $81 million, and boosted mortgage investments by $35 million to $192 million.

The loan companies increased their mortgage investments by $27 million, to $271 million, making little change in bond and stock holdings in total.

Indications are that the percentage of their assets invested in mortgages will not be increased in 1956 and may even fall somewhat.

Chief Trust Man



Donald G. Grant is new president of the Trust Companies of Canada. As such, he leads an industry with assets under administration of more than $5 billion. Mr. Grant is general manager of Nova Scotia Trust Co., Halifax, and managing director of Yarmouth Building & Loan Society.

Trust Firms Report 1955 Progress

(Continued from page 50)

gina, Winnipeg, Calgary, Edmonton, Victoria and Vancouver.

In 1955 net profit was $266,617, 16.8% higher than net profit of $228,355 in 1954. Earnings per share were $2.67 ($2.28 in previous year) and dividends amounted to $1.60 ($1.60) per share.

At Dec. 31, 1955, estates, trusts, and agencies account totaled $209,726,309 ($184,874,659 a year earlier). Guaranteed trust account amounted to $34,794,586 ($39,068,977).

Mortgages and agreements for sale are shown on balance sheet at $22,722,316 ($18,562,142), guaranteed trust certificates at $10,285,601 ($9,581,580), and guaranteed deposit accounts $24,334,229 ($29,315,512).

Capitalization outstanding at Dec. 31, 1955 included 100,000 shares, $20 par. Reserve fund was $1,850,000 ($1,750,000) and profit and loss account $91,799 ($85,182).

Central Trust

Central Trust Co., head office Moncton, N.B., has branches in Saint John, Fredericton, Woodstock, N.B., and Amherst, N.S.

The company received a large volume of new business in 1955. All departments showed new high levels for the year.

Net profit for 1955 was $47,664, 13.9% higher than net profit of $41,837 in 1954. Earnings per share were $1.16 ($1.02 in previous year) and dividends amounted to 60c (60c) per share.

Total assets at Dec. 31, 1955 amounted to $28,253,078 ($25,307,433). Guaranteed funds amounted to $6,128,954 ($5,712,858), and estates, trusts and agency funds $21,433,721 ($18,928,400).

Authorized capital consists of $1 million in $10 par shares. Of this, $373,750 ($373,110) was issued and fully paid, and $38,700 ($38,700) was issued and 50% called, at year - end. General reserve was $150,320 ($150,000), reserve for investments $50,000 ($50,000), reserve for mortgages $8,380 (nil), and profit and loss account $56,887 ($42,335).

Chartered Trust

Chartered Trust Co., Toronto, earnings in 1955 were the highest in its history. In addition to its downtown Toronto head office, it operates another in uptown Toronto and an office in Montreal.

Company has decided to increase paid up capital to $3.6 millions from $3 millions by offering shareholders of record June 4 right to buy one additional $20 par share at $40 for each five shares held. Offer expires July 3.

Of the $40, $20 will be credited to paid up capital and remaining $20 to reserve. There will be 90,000 outstanding if all the rights are taken up.

Net profit for 1955 was $290,011, 44.7% higher than net profit of $200,390 in 1954. Earnings per share were $3.87 ($3.56 in previous year). Dividends amounted to $1.25 ($1.20) per share.

At Dec. 31, 1955 estates, trusts and agencies account totaled $84,134,143 ($74,720,487). Guaranteed trust account was $25,170,144 ($22,376,505).

At year-end authorized capitalization was 125,000 common shares $20 par, of which 75,000 shares were outstanding. Reserve fund was $1.5 million ($1.5 million) and profit and loss account $179,494 ($83,233).

Eastern Trust

Eastern Trust Co., Halifax, has branches at Lunenburg and New Glasgow, N.S., Saint John and Moncton, N.B., Charlottetown, St. John's, Nfld., Montreal, Toronto, Calgary, Vancouver and Penticton, B.C.

Net profit for 1955 was $252,072, 2.3% higher than net profit of $246,358 in 1954. Earnings per share, based on shares outstanding, were $2.24 ($2.46 in previous year) and dividends amounted to $1 ($1).

Assets under administration reached a new high of $153,634,872 ($133,705,500) at Dec. 31, 1955. Guaranteed trust account amounted to $23,050,848 ($15,531,356), including $8,947,516 ($7,409,186) mortgages, $11,417,966 ($6,152,965) bonds and debentures. Capital account totaled $2,903,795 ($2,275,442).

Authorized capital is 300,000 shares, $10 par, of which 125,000 (100,000) were issued and fully paid at year-end. Reserve fund was $1,100,000 ($725,000) and profit and loss account $98,729 ($93,157).

Equitable Trust

Equitable Trust Co., Winnipeg, assets at Dec. 31, 1955 totaled $2,363,944 ($2,269,759 a year earlier), including $4,600 ($480,640) investments in wholly owned subsidiary companies, $875,729 ($340,620) mortgages and agreements, $1,391,334 ($1,297,366) various stocks and bonds.

Authorized capital is $2 millions of which $600,000 is issued and fully paid. General reserve at Dec. 31, 1955 was $400,000 ($400,000), capital surplus $272,069, and earned surplus $306,814 ($289,063 surplus in previous year).

Crown Trust

Crown Trust Co., in its eight offices across Canada, experienced the best year in its history in 1955. Volume of business reached an all-time high.

Head office is in Toronto, with branches in Brantford, London and Windsor, Ont., and Montreal, Winnipeg, Calgary and Vancouver.

In February, 1956 company increased authorized capital to $5 millions from $1.5 millions.

Net profit for 1955 was $225,048, 27.5% higher than net profit of $176,455 for 1954. Earnings per share were $1.50 ($1.39 in previous year) and dividends amounted to 60c (50c).

Total assets at Dec. 31, 1955 increased to $162,137,432 ($150,235,916). Assets held in capital account were $3,426,111 ($2,581,898), while estates, trusts and agency account totaled $128,424,757 ($119,723,738).

Guaranteed account amounted to $30,466,564 ($27,930,280). Mortgages held increased to $17,845,823 ($15,091,237).

Capital stock outstanding at year-end included 150,000 common shares, $10 par. Reserve fund totaled $1.5 millions ($1.1 millions) and profit and loss account $85,863 ($81,041).

General Trust

General Trust of Canada, with head office in Montreal, has branches at Quebec City and Ottawa.

Net profit for 1955 was $153,920, 35.4% higher than net profit of $113,602 in 1954. Earnings per share were $13.99 ($10.33 in previous year) and dividends amounted to $5 ($5) per share.

Estates, trusts and agency account at the end of 1955 totaled $123,581,160 ($113,981,686 at the end of 1954). Guaranteed accounts were $13,153,003.71 ($9,814,372). Capital account amounted to $1,847,427 ($1,724,254).

Liabilities include a bank loan of $85,000 ($75,000 at the end of 1954).

Capital stock consists of $5,000 authorized and issued common and $2 million authorized, $1.1 million issued 7% noncumulative preferred stock. General reserve at Dec. 31, 1955, amounted to $400,000 ($300,000) and profit and loss account was $140,851 ($150,932).

Guaranty Trust

Guaranty Trust Co. of Canada, with head office in Toronto, has branches at Ottawa, Windsor, Niagara Falls, Sudbury, Sault Ste. Marie, Ont., Montreal, Calgary and Vancouver. Company has agencies at Halifax, Fredericton, Winnipeg and Fort William and Port Arthur.

Earnings, deposits and assets under administration reached the highest level in company's history during 1955. Net profit for 1955 was $323,476, 32.9% higher than $243,454 for 1954. Earnings per share were $1.30 ($1.22 in previous year) and dividends amounted to 60c (60c) per share. Company declared a 17½c dividend payable April 16, 1956 to shareholders of record March 27. Previous quarterly rate was 15c.

Estates, trusts and agencies account at Dec. 31, 1955, totaled $69,476,434 ($63,039,013). Guaranteed trust account rose to $46,708,276 ($37,399,440), including $22,719,269 ($18,662,402) bonds, debentures and stocks, and $17,510,614 ($13,306,554) first mortgages. Capital account totaled $4,097,046 ($3,147,590).

Capital stock, after taking into account recent offering of 50,000 treasury shares to shareholders, consists of 300,000 shares, $10 par. Reserve fund at year end was $1,250,000 ($1 million) and profit and loss account was $212,389 ($38,913).

Guardian Trust

Guardian Trust Co., Montreal, net profit for 1955 was $18,675, 25.9% higher than net profit of $14,828 for 1954. Earnings per share were $9.57 ($7.60 in previous year) and dividends amounted to $3.50 ($3) per share.

Estates, trusts and agencies account at Dec. 31, 1955 amounted to $23,353,913 ($21,984,810). Guaranteed funds amounted to $13,017 ($13,009) and capital account was $560,554 ($531,990).

Authorized capital consists of 5,000 shares, $100 par, of which 2,655 have been issued and 195,200 paid up. Reserve was shown as $160,000 ($83,635 capital surplus and $55,183 reserve fund shown in previous year). Profit and loss account amounted to $28,217 ($17,948).

Halton & Peel

Halton & Peel Trust & Savings Co., Oakville, Ont., received its charter from the Ontario Government in 1955. Company was formed by local residents to serve fast growing Halton County, especially the Oakville, Burlington, Milton and Georgetown areas. It offers complete trust services.

Net loss for the ten months ended Dec. 31, 1955 was $5,422. Actually there was a $578 net profit but company deemed it advisable to write off in full $6,000 organization expenses.

Company reports it concentrated on sale of shares and guaranteed investment certificates, and investment of these funds in first mortgages. It expects that estates department will develop substantially during 1956 and subsequent years and has already received appointments as executor and trustee.

At year-end there was $700,220 capital subscribed, $500,460 capital paid in, $713,726 guaranteed investment certificates, $135,635 cash on hand and in banks and $1,066,842 first mortgages.

Assets at year end had risen to $1,215,026 from $861,109 in previous September and $315,000 in previous March.

Authorized capital stock consists of 200,000 shares, $10 par. There were 70,022 shares issued, of which 30,070 were fully paid and remaining 39,952 were 50% called and paid.

Industrial Mortgage

Industrial Mortgage & Trust Co., with head office in Sarnia, Ont., has branches in Forest and Petrolia, Ont.

Net profit for 1955 was $79,842, 24.2% higher than net profit of $64,262 for 1954. Earnings per share were $6.29 ($5.06 in previous year) and dividends amounted to $4 ($3.75) per share.

Guaranteed investment certificates at Dec. 31, 1955 totaled $4,869,604 ($4,338,013) and trust deposits amounted to $5,506,731 ($5,229,772).

Estates, trusts and agencies account increased to $1,534,139 ($1,431,846). Total assets under administration amounted to $13,212,542 ($12,262,305).

Capital stock consists of 20,000 shares, $50 par, authorized, of which 12,700 are outstanding and fully paid. Reserve fund at year end was $550,000 ($500,000) and profit and loss account was $54,550 ($75,507).

Lambton Trust

Lambton Trust Co., Sarnia, Ont., is a subsidiary of Lambton Loan & Investment Co. The parent company's balance sheet at Dec. 31, 1955, shows an investment of $330,770 in Lambton Trust Co. stock. Company does a trust business only and does not issue guaranteed investment certificates or accept deposits.

Net profit for 1955 was $14,701, 20.8% lower than net profit of $18,555 for 1954. Earnings per share were $2.33 ($2.94 in previous year) and dividends amounted to $2.25 ($2.50).

Total assets at Dec. 31, 1955, amounted to $407,791 ($409,558), including $274,824 ($254,176) mortgages. Estates, trusts and agencies account was $2,619,986 ($2,401,977).

Authorized capital consists of 20,000 shares, $50 par, of which 6,307 are issued and fully paid. General reserve fund stood at $75,000 ($75,000) and profit and loss account was $16,200 ($15,690).

Okanagan Trust

Okanagan Trust Co., Okanagan, B.C., is a wholly owned subsidiary of Okanagan Investments Ltd., Okanagan.

Net profit for the year ended June 30, 1955, was $6,689, 20.1% lower than net profit of $8,367 in previous year. Earnings per share were $2.68 ($3.35 a year earlier) and dividends amounted to $2 ($3.80).

Guaranteed trust account at year end amounted to $80,553 ($87,705). Estates, trusts and agencies account totaled $956,485 ($790,943).

Capital outstanding consisted of 2,500 shares, $100 par. Surplus stood at $25,605 ($23,916).

Montreal Trust

Montreal Trust Co., with head office in Montreal, has branches in Toronto, Winnipeg, Regina, Edmonton, Calgary, Vancouver, Victoria, Quebec, Halifax, Saint John, N.B., Charlottetown, St. John's, Nfld., Nassau, Bahamas, and London, Eng.

In December, 1955, company acquired the assets and business

(Continued on page 52)

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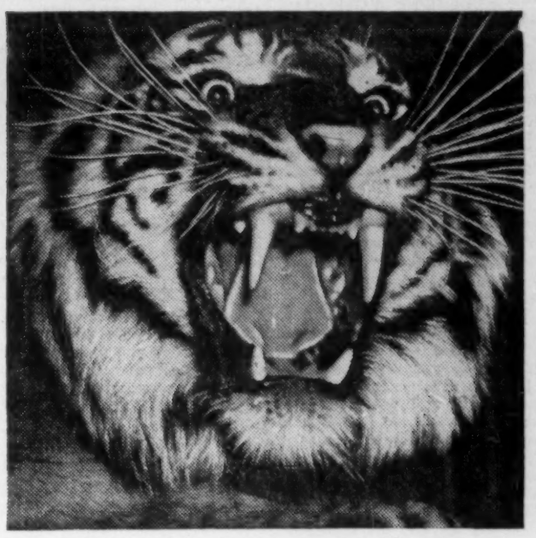

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	1951	1952	1953	1954	1955
Total Assets	$58,276,986	$59,792,675	$62,605,693	$67,791,169	$76,860,559
Mortgage Loans	49,721,906	51,047,245	55,097,183	61,526,020	67,968,184

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Mortgage Companies Show Good Year

(Continued from page 51)

of Brockville Trust & Savings Co., Brockville, Ont.

Montreal's net profit for 1955 was $868,039, 23.3% higher than net profit of $704,248 for 1954. Earnings per share were $2.17 ($1.76 in previous year) and dividends amounted to $1.20 ($1) per share.

Guaranteed trust account amounted to $64,387,003 ($68,433,797), including $10,017,109 ($10,933,064) cash and secured loans and $30,944,278 ($42,795,558) Government of Canada obligations.

Assets on capital account amounted to $10,281,460 ($10,036,387), including $1,822,358 ($2,511,745) stocks.

Authorized and issued capital stock consists of 400,000 shares, $5 par. Reserve fund amounted to $7 million ($6.5 million) and profit and loss account was $671,874 ($783,835).

Sask. Loan

Saskatchewan Loan & Investment Co., Moose Jaw, deals in mortgages on real estate and farm lands. Net profit in 1955 totaled $10,991, down from $18,086. Drop is accounted for largely by lower income in real estate operations but there are an estimated 17,000 bushels of grain on farms in the company's share, compared with about 4,000 bushels at the end of 1954, the annual report notes.

Total assets are little changed at $507,286 ($507,396 at the end of 1954). Cash is up at $5,409 ($2,788) and government bond-holdings and investment in National Light and Power are unchanged at $125,450 and $10,225 respectively. Real estate and farm lands are unchanged at $140,723. Mortgage loans and agreements for sale slipped to $224,062 from $227,216.

Interest accrued on mortgages (not appearing on the balance sheet and treated as deferred revenue) rose to $14,163 from $7,203, as a result of adverse crop conditions, the report says.

Liabilities include a bank loan of $20,000, up from $12,000.

Authorized capital is $1.1 millions, consisting of $50 par shares. Of this, $352,100 is paid up and a further $9,612 has been deposited on the remaining shares for a total of $361,712. Reserve account totals $40,000 and surplus was reduced to $80,564 from $87,116.

Société de Prêts

La Société de Prêts et Placements de Québec, with head office in Quebec City, makes mortgage loans and accepts deposits.

Net profit for 1955 increased 10% to 44,016 from $39,949 in 1954.

Assets totaled $1,478,812 at Dec. 31, 1955 ($1,482,360). These included mortgages (including interest, $1,432,394 ($1,463,318), investments unchanged at $5,858 (market value $2,338), cash of $32,652 ($220). Liabilities included deposits of $72,716 ($6,216).

Authorized capital is 10,000 shares $100 par of which 8,000 are paid up. General reserve was unchanged at $154,549 and surplus increased to $63,899 from $52,525.

North. Canadian

Northern Canadian Mortgage Co., Winnipeg, acts as rental agent for a number of properties and also owns and manages apartment blocks and houses in Winnipeg.

Net profit for the year ended March 31, 1956 increased 11% at $47,233 from profit of $42,412 in the previous year.

Total assets at March 31, 1956 amounted to $961,043 ($881,005 at March 31, 1955). These included investments in other companies of $723,946 and having a market value of $1,131,021 ($662,236 with a market value of $1,022,893); mortgage loans and agreements and accrued interest, $86,826 ($95,249); an apartment block carried at $84,651 after depreciation ($88,178); cash of $61,192 ($29,563).

Capitalization consists of 13,461 6% cumulative preferred stock $25 par of which 12,256 are issued and 20,000 authorized common shares of which 13,618 are issued. Arrears on preferred stock amounted to $10.57 at April 15, 1956. Capital surplus at $43,237 was unchanged while surplus increased to $490,379 from $411,229, including a profit of $102,890 realized on sale or redemption of securities.

Lambton Loan

Lambton Loan & Investment Co., Sarnia, Ont., makes first mortgage loans, issues debentures and accepts deposits. Founded in 1844, it is the oldest mortgage company in Canada.

Net profit for 1955 increased to $88,771 from $69,379 in 1954.

At Dec. 31, 1955, assets totaled $7,884,173 ($7,462,689 at the end of 1954). These included bonds and debentures, including accrued interest, of $1,346,299 ($1,648,568); mortgages and agreements for sale plus interest due of $5,626,513 ($4,894,226); loans on stocks and bonds, $90,104 ($46,788); and stock in Lambton Trust Co., carried at $330,770.

Liabilities of $6,125,022 ($5,729,130) include savings deposits of $2,912,142 ($2,706,669); debentures and accumulative bonds and interest $3,136,417 ($2,953,811).

Authorized capital consists of 20,000 $50 par shares of which 15,795 are issued and fully paid. Reserve is unchanged at $900,000 and balance in profit and loss account at the end of 1955 is $69,401 ($43,810).

NS Savings & Loan

Nova Scotia Savings, Loan and Building Society, Halifax, N.S., makes loans on mortgages, issues debentures and accepts deposits.

Net profit increased to $182,241 in 1955 from $138,724 in 1954.

Assets totaled $12,452,407 at Dec. 31, 1955 ($11,140,021 at Dec. 31, 1954). These included first mortgages of $11,720,517 ($10,570,389); investments of $603,623 ($516,900); and cash of $96,586 ($25,872).

Liabilities included debentures and accrued interest of $8,181,384 ($7,621,610) and savings deposits of $1,776,699 ($1,204,292).

Share capital totaled $1,516,378 ($1,419,809), rest fund was up at $720,000 ($685,000) and profit and loss balance, $63,389 ($59,897).

Western Homes

Western Homes Ltd., Winnipeg, makes loans on mortgages. Net profit for 1955 was up 9% at $33,256, as against $30,674 in 1954.

Assets totaled $1,104,241 at Dec. 31, 1955 ($1,041,275 at Dec. 31, 1954). Included were mortgages, agreements and loans pending of $1,001,936 ($951,449); stocks and bonds plus interest but less reserve, $58,586 ($53,164); and cash, $13,937 ($6,901). Liabilities included a bank loan of $175,000 ($135,000).

Authorized capital consists of 30,000 shares of $35 par of which 19,397 were subscribed and $678,895 paid up. Surplus at the end of 1955 is shown at $20,386, compared with $207,484 but a general reserve of $200,000 has been set up.

Savings & Invest.

Savings and Investment Corp., Quebec City (formerly Savings & Loan Corp.) issues certificates, makes loans on first mortgages on real estate, and invests in bonds and shares.

Total assets at Nov. 30, 1955, amounted to $9,070,463, an increase of 29% from $7,015,425 at the end of previous fiscal year. Included were first mortgages of $5,265,653 ($4,130,973 at Nov. 30, 1954), investments in bonds and shares, $2,883,258 ($2,007,306); other assets of $685,906 ($590,175); and cash of $235,646 ($286,971).

Company issued almost $23 millions in savings certificates, increasing to $86 million value of certificates in force at Nov. 30, 1955.

Reserves were increased to $8,712,657 from $6,809,138 and capital and surplus amounted to $239,305 ($189,252).

National Trust

National Trust Co., with head office in Toronto, has branches at Montreal, Hamilton, Winnipeg, Edmonton, Calgary, Vancouver and Victoria. Central Canada Loan & Savings Co. holds a substantial but minority interest in National Trust Co.

Net profit for 1955 was $478,502, 4.9% higher than net profit of $456,063 in 1954. Earnings per share were $1.60 ($1.52 in previous year) and dividends amounted to $1.40 ($1.30) per share.

Estates, trusts and agencies under administration totaled $441,744,884 at Dec. 31, 1955 ($411,693,417 a year earlier). Savings deposits totaled $52,478,365 ($40,884,005). Assets on capital account totaled $7,132,557 ($7,048,419).

Capital stock includes 300,000 shares, $10 par, all outstanding. Reserve fund totaled $3.5 million ($3.5 million), and profit and loss account stood at $347,360 ($288,859).

Nova Scotia Trust

Nova Scotia Trust Co., Halifax, maintains branches at Sydney, Kentville, Yarmouth and Truro.

Net profit for the year ended Sept. 30, 1955, was $63,352, 1.2% lower than net profit of $64,129 in previous year. Earnings per share dropped to $1.27 ($1.28 in previous year) and dividends amounted to 80c (80c) per share.

Guaranteed funds at year end totaled $5,453,061 ($4,470,540). Estates, trusts and agencies under administration increased to $28,053,344 ($25,652,977).

Authorized, issued and paid up capital was $500,000, profit and loss account stood at $46,976 ($23,624). General reserve fund amounted to $450,000 ($450,000).

British Mortgage

British Mortgage & Trust Corp. of Ontario, Stratford, net profit for 1955 was $150,497, 22.3% higher than net profit of $123,068 in 1954. Earnings per share rose to $15.05 ($12.31 in previous year) and dividends amounted to $12 ($10).

Company in 1955 established a $44,179 reserve against mortgage losses as authorized by recent Income Tax amendment.

Guaranteed trust account at Dec. 31, 1955, was $18,293,919 ($17,307,290). This consisted of $10,689,074 ($10,109,899) guaranteed investment receipts, and $7,604,844 ($7,197,391) trust deposits.

Estates account at year end totaled $934,961 ($1,038,811). Capital account amounted to $2,486,912 ($2,424,069).

Capital stock fully paid up was $1 million, general reserve fund $1.2 million, and profit and loss balance $134,752 ($104,255).

Western Savings

Western Savings and Loan Association, Winnipeg, makes loans on mortgages, invests in securities, and issues certificates.

Assets at Dec. 31, 1955, totaled $64,671,372, up 14% from $56,672,468 at the end of 1954. Mortgage loans were up at $46,285,269 ($40,694,162). Cash increased to $2,956,345 from $1,858,036. Holdings of government bonds and other securities were up at $14,736,802 ($13,474,074); loans on savings certificates, $594,552 ($547,792).

Savings certificates issued and accrued interest totaled $52,762,635 ($46,073,833). Capital, surplus, rest and reserves amounted to $11,616,473 ($10,249,508).

No income account is issued.

Ontario Loan

Ontario Loan & Debenture Co., London, Ont., has been in business for 85 years accepting deposits, issuing debentures and operating extensively in Ontario. Net profit in 1955 increased 11% to $356,253 from $319,975 in 1954.

Total assets at Dec. 31, 1955, were $39,257,610 ($36,530,964 in 1954). Included were mortgages less reserve of $32,481,137 ($29,753,187); Dominion and provincial bonds, $5,666,891 ($5,632,152); municipal bonds, $70,737 ($13,619) guaranteed trust certificate unchanged at $48,625; stocks, $284,114 ($230,685).

Cash in chartered banks and on hand was $464,233 ($602,833), and cash on deposit with trust and loan companies amounted to $83,341 ($89,866).

Liabilities to the public totaled $33,377,010 ($30,724,118), including deposits of $9,134,225 ($8,360,851); debentures including accrued interest of $24,058,174 ($22,201,457).

Authorized capital stock consists of 420,000 shares of $10 par of which 250,000 were issued and fully paid at the end of 1955. Reserve fund is unchanged at $3 million and reserve for extension of office premises was increased to $70,000 from $60,000. Profit and loss balance amounted to $210,600 ($159,347).

Brockville Trust

Brockville Trust & Savings Co., Brockville, Ont., net profit for 1955 was 46,844, 9.4% lower than net profit of $51,692 in 1954. Earnings per share were $3.35 ($3.93 in previous year) based on shares outstanding and dividends amounted to $1.87½ ($3) per share. Total assets rose to $7,660,655 from $6,881,491.

Company was acquired by Montreal Trust Co. in December, 1955, which held 99.5% of the outstanding stock at year end.

Estates, trusts and agencies account at year end totaled $3,275,807 ($3,235,648). Mortgage loans on capital account totaled $2,486,105 ($1,973,777).

Guaranteed trust account at Dec. 31, 1955, totaled $3,230,039 ($2,467,246 a year earlier). This included $2,061,577 ($1,524,530) deposits, $1,168,462 ($929,250) guaranteed investment certificates (and $13,466 due and accrued interest in 1954).

Company transferred $214,428 to tax paid undistributed income. It paid 15% tax of $35,236 on undistributed income on hand at end of 1949 and $2,604 on same at end of 1954. At Dec. 31, 1955, it also had a paid-in surplus of $55,000 and undivided profit of $160,016. At 1954 year end it showed a reserve fund of $350,000, investment reserve of $50,000 and undivided profits of $35,375.

Authorized capital consists of 20,000 shares, $50 par of which 14,000 are issued.

Canada Permanent Trust

Canada Permanent Trust Co., Toronto, is controlled by Canada Permanent Mortgage Corp. It maintains offices in Victoria, Vancouver, Edmonton, Regina, Winnipeg, Toronto, Brantford, Hamilton, Woodstock (Ont.), Saint John and Halifax. A trust service is also operated in conjunction with Port Hope, Ont., branch of the Canada Permanent Mortgage Corp.

Net profit in 1955 was $178,848, 7.9% higher than net profit of $161,983 in 1954. Earnings per share were $8.74 ($8.10 in previous year) and dividends amounted to $6 ($6) per share.

Assets under administration at Dec. 31, 1955, rose to a new high of $120,917,843 ($112,142,821). Guaranteed investment receipts totaled $457,300 ($548,399), including $252,504 ($357,410) mortgages.

Authorized capital stock is $5 million, in $100 par common shares, of which $2 million ($2 million) is outstanding. Reserve fund was $1 million ($1 million) and profit and loss account $190,748 ($135,900).

Toronto Mortgage

Toronto Mortgage Co., makes mortgage loans on residential properties in Toronto and vicinity, issues debentures and accepts deposits.

Net profit of $99,577 in 1955 was up 11% from $90,055 in 1954.

Assets totaled $4,199,261, up slightly from $4,183,394 at the end of 1954. Mortgage loans amounted to $3,334,042 ($3,448,300); bonds and stocks, $739,772 ($614,701); and cash, $80,448 ($75,393).

Liabilities include savings deposits, $180,741 ($233,265); sterling debentures and interest, $79,313 ($82,247); Canadian debentures and interest, $1,393,845 ($1,315,305).

Authorized capital consists of 20,000 $50 par shares of which 19,730 are subscribed and fully paid. Reserve fund at Dec. 31, 1955 was unchanged at $1.2 million and surplus amounted to $255,173 ($251,579).

Eastern Canada

Eastern Canada Savings & Loan Co., Halifax, makes mortgage loans, issues debentures and accepts deposits. Net profit of $229,560 in 1955 was up 14% from $200,735 in 1954.

Debentures outstanding at the end of 1955 amounted to $18,046,038, up from $15,712,667. Deposits were up at $3,746,747 from $2,818,380. Assets totaled $24,941,350, as against $21,144,094.

First mortgages and agreements for sale increased to $22,032,922 from $19,084,456 and cash was up at $365,845 from $86,718. Bonds and accrued interest rose to $2,500,143 from $1,762,469 and stocks were up at $223,911 from $190,114. Market value of bond-holdings increased to $2,301,400 from $1,806,221 and market value of stocks was up at $301,568 from $248,662.

In December, company sold 25,000 additional shares increasing capital to $1.5 million from $1,250,000. Reserve fund was increased by $200,000 at $1.2 million with $163,520 received through issuance of new stock. The new shares were offered shareholders on the basis of one share at $16.50 for each five held.

A special mortgage reserve was established and amounted to $58,897 at the end of 1954. The company's first branch office was opened in Dartmouth, N.S.

Yarmouth Bldg.

Yarmouth Building & Loan Society, Yarmouth, N.S., makes loans on mortgages and issues debentures.

Assets at the end of 1955 amounted to $794,534, compared with $753,287 at Dec. 31, 1954. Mortgages and interest but after reserve totaled $782,259 ($727,448).

Debentures outstanding were $508,700 ($471,250). Capital stock consists of 1,718 shares and reserve account at $76,000 is unchanged. Profit and loss balance was $26,089 ($23,720).

Acadia Trust

Acadia Trust Co., Truro, N.S., net profit for the year ended Nov. 30, 1955, was $48,596, 0.4% lower than net profit of $48,812 for previous year. Earnings per share were $2.43 ($2.44 in previous year) and dividends amounted to $2.20 ($1.90).

Estates, trusts and agencies under administration at year end totaled $11,689,467 ($11,167,394). Guaranteed funds were $1,410,312 ($1,405,418).

Authorized capital is $500,000 of which $200,000 is fully paid. Reserve fund was $800,000 ($800,000) and profit and loss fund $136,283 ($131,688).

Administration & Trust

Administration & Trust Co. (Société d'Administration et de Fiducie) with head office in Montreal, has branches in Quebec, Ottawa, Winnipeg, Edmonton, Regina and Vancouver.

Net profit for 1955 was $214,798, 11% higher than net profit of $193,584 for 1954. Earnings per share were $4.50 ($4.05 in previous year) and dividends amounted to $2.50 ($2) per share.

Estates, trusts and agencies account at Dec. 31, 1955, totaled $187,070,061 ($177,933,437), while guaranteed trust account amounted to $16,103,926 ($12,662,607).

Authorized capital consists of 60,000 shares, $25 par, of which 47,750 are issued. General reserve was $1 million ($500,000) and profit and loss account $128,834 ($392,501).

British Canadian

British Canadian Trust Co., Lethbridge, Alta., net profit for 1955 was $18,792, 3.2% higher than net profit of $18,204 for 1954. Earnings per share were $9.38 ($9.10 in previous year) and dividends amounted to $7 ($7) per share.

Trust and guaranteed funds at Dec. 31, 1955, totaled $4,840,915 ($4,950,714). Assets aggregated $558,820 ($764,164), including $67,717 ($281,830) mortgages, notes and agreements for sale.

Authorized capital stock at year end consisted of 5,000 shares, $100 par, of which 2,000 were issued. Capital surplus was $224,963 ($224,963), general reserve $90,000 ($85,000) and profit and loss account $8,921 ($9,129).

La Cie Fonciere

La Compagnie Fonciere de Manitoba Ltd., Winnipeg, conducts a business of investing primarily in selected government and industrial bonds and shares.

Net profit of $13,815 in 1955 is up from $4,481 in 1954. Total assets at the end of 1955 amounted to $711,394, up from $727,427. Preferred and common stocks increased to $452,215 from $429,219 and bonds and notes were up at $67,524 from $45,354. Agreements and mortgages receivable, including interest, amounted to $72,033 ($71,945) and gold held outside Canada was unchanged at $76,647.

At year end capital stock amounted to $600,000 fully paid and debentures totaled $300 ($4,075). Surplus was $102,504 ($111,823).

Credit Foncier

Credit Foncier Franco-Canadien, Montreal, has been engaged since 1881 in lending money secured by first mortgages on real estate. Net profit in 1955 increased 24% to $1,314,170 from $1,057,853 in 1954.

Total assets at the end of 1955 amounted to $76,860,559, as against $67,791,169. Mortgages and agreements for sale increased to $67,968,185 from $61,526,020. Demand or short-term deposits increased sharply to $3,810,589 from $1,450,000 and holdings of shares in Canadian companies rose to $535,358 from $27,680. Other investments were up at $604,960 from $176,960.

Liabilities included debentures issued of $38,433,204, as against $34,655,587 and short-term notes of $4,731,369, up from $1.2 million.

Authorized capital stock amounts to 636,000 shares of which 424,000 are issued and fully paid. Company increased 1955 dividend payments to $2 a share from $1.75 paid in 1954. Reserves totaled $17,600,511, up from $16,535,781.

New financing in 1955 consisted of two short-term loans totaling $4 million and a $7-million debenture issue which was broken up into two parts — one for $3 million carrying 3¾% coupon and maturing in 1961 and the other for $4 million having a 4¼% coupon and maturing in 1969.

Recently, Credit Foncier sold a new issue of $3.5 million 4¼% debentures maturing June 15, 1962.

Huron & Erie

Huron & Erie Mortgage Corp., London, Ont., makes mortgage loans and issues debentures and accepts deposits. It carries on its business in Ontario and in the western provinces through offices in London, Toronto, Winnipeg, Regina, Edmonton, Vancouver, Chatham, St. Thomas, Hamilton, Guelph, St. Catharines, Calgary, Victoria.

Total assets at Dec. 31, 1955, rose to $88,144,596 from $80,603,974 at the end of 1954. Mortgages and accrued interest less reserve rose to $62,663,954 from $54,580,515. Bonds and debentures less reserve dropped to $14,739,209 from $16,980,424. Stocks, less reserve and not exceeding market value, are shown at $2,125,136, as against $1,196,613. Canada Trust Co., in which Huron & Erie has 96% interest, is shown at $3,264,778, as against $3,269,403.

Liabilities to the public rose to $79,755,686 from $72,437,307. Debentures totaled $42,695,695, as against $38,620,727, deposits were $36,301,201, as against $32,985,737.

Capital consists of $10 million of $20 par stock authorized of which $5 million is subscribed and paid up. Reserve totals $3 million with $150,000 added to reserve in 1955. Dividends have been increased from 6% to 7% with $1.40 a share paid in 1955 (35c quarterly).

Canada Trust, the subsidiary, carries on a trust business across Canada (see separate article).

Canada Permanent Mortgage

Canada Permanent Mortgage Corp., Toronto had the best year in its history in 1955 with net profit increasing about 8% to $174,848 from $161,983 in 1954.

(Continued on page 53)

How Trust Business Fared In '55

Total Assets under administration by Canadian Trust Companies in 1955 were:

	1955 ($)	1954 ($)	Increase ($)
Company Funds	118,609,341	111,195,058	7,414,283
Ordinary Deposits	271,586,793	232,659,916	38,926,877
Guaranteed Investment Certificates	324,377,932	290,764,385	33,613,547
	595,964,725	523,424,301	72,540,424
Estates, Trusts & Agency Funds	4,720,038,148	4,393,348,116	326,690,032
Total	$5,434,612,214	$5,027,967,475	$406,644,739

Bond Trusteeships: Value of corporation bonds certified by Canadian trust companies in 1955 under bond mortgages was $585,795,900, down about $7,000,000 from the previous year.

Distribution of Assets of Member Firms of The Dominion Mortgage and Investments Association Dec. 31, 1955.

MEMBER TRUST COMPANIES:

	Dollar Distribution (Millions) 1955 $	1954 $	Percentage 1949 $	Distribution 1955 %	1954 %	1949 %
Canadian Government Bonds	131	156	111	22.20	28.60	37.56
Provincial Government Bonds	81	65	31	13.86	11.84	10.56
Canadian Municipal Bonds	35	34	18	5.94	6.15	5.93
Other Government Bonds	...	4	...	.08	.76	.10
Total Government Bonds	247	259	160	42.08	47.35	54.15
Corporation Bonds	60	54	12	10.26	9.83	4.00
Corporation Stocks	21	17	10	3.49	3.17	3.48
Mortgages in Canada	192	157	84	32.68	28.77	28.50
Real Estate Held for Sale	...	...	...	....	....	.02
Other Real Estate	7	7	6	1.26	1.37	2.14
Collateral Loans	24	24	11	3.98	4.45	3.75
Cash	34	25	11	5.76	4.58	3.57
Other assets	3	3	1	.47	.48	.39
Total Assets	588	546	295	100.00	100.00	100.00

MEMBER LOAN COMPANIES:

Dominion Government Bonds	40	44	42	11.00	13.22	16.85
Provincial Government Bonds	7	4	6	1.98	1.29	2.43
Canadian Municipal Bonds	4	3	2	1.19	.89	.82
Other Government Bonds	...	...	...	.06	....	.22
Total Government Bonds	51	51	50	14.23	15.40	20.32
Corporation Bonds	3	4	1	.85	1.23	.58
Corporation Stocks	15	13	12	4.08	3.83	4.66
Mortgages in Canada	271	244	163	74.53	73.59	66.04
Real Estate Held for Sale	2	2	3	.43	.48	1.15
Other Real Estate	6	6	6	1.75	1.90	2.28
Collateral Loans	...	...	...	.09	.08	.10
Cash	10	9	10	2.66	2.84	3.92
Other Assets	4	2	2	1.21	.65	.94
Total Assets	362	331	247	100.00	100.00	100.00

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Here's a Comparative Look at Canada's Succession Duties

Some Form Of "Estate" Tax Likely In New Legislation

Long-awaited changes in Canada's succession duty laws may be announced this month.

Because of a heavy House of Commons schedule there can be no firm guarantee that this bill, now just about ready for presentation, will be introduced and passed before Parliament rises for the summer.

However, there's every indication that the Minister of Finance is anxious to carry out the Government's intention — announced last January in the Speech from the Throne — to get new death duty laws on the books this year.

Over the past few years the Government has heard representations from interested organizations about what should or should not be the basis for a revised law and what changes should entail.

There has been no hint as to the exact shape of new legislation. But it is thought that some form of an "estate" tax will likely replace the present "succession" duties. In basic terms this means that a graduated tax will be applied to the whole estate without such consideration as there is in the present laws for the degree of relationship the beneficiaries hold to the testator. If concessions are made to the relationship aspect, it is likely that today's complex regulations will be greatly simplified.

To get a clearer look at this country's death duty laws, the Canadian Tax Foundation recently prepared a study of the present situation in Canada, the U. K and the U. S. The Foundation presented background data to several questions to be raised at a subsequent Canadian Tax Foundation conference.

It should be noted that the chief differences between Canada's death duties and those in the U. S. and the U. K. revolve around the fact that Canada's law is a "succession duty" while that in the other countries is an "estate" tax.

Exemption System

Is the present exemption system satisfactory?

In **Canada** there is no duty levied on estates under $50,000. If the estate exceeds that amount the whole estate is taxed if taxation will not reduce the estate below $50,000.

These are exemptions allowed in determining the amount (not rate of duty) of the bequest that is subject to duty:

—If the successor is the widow of the deceased, $20,000.

—An additional $5,000 for the widow for each dependent child less any amounts the child receives from the estate.

—If the successor is a dependent child, $5,000, with an additional $15,000 should there be no surviving parent.

—Charitable donations (to organizations not to individuals) up to the total value of the estate.

—Gifts to any government in Canada.

—Gifts made as "ordinary and normal expenditure."

—Gifts made during lifetime on which gift tax has been paid except to the extent that the duty leviable under the Succession Duty Act exceeds the gift tax.

—Individual bequests not exceeding $1,000.

—Pensions paid under the Pensions Act or by any of the Allied Nations for disability or death caused by war service, provided that nation has a reciprocal agreement with Canada.

—"Quick succession" where two deaths occur within 5 years and the dutiable value of each succession reduced by a percentage based on length of interval.

Residents of Quebec and Ontario where there are provincial succession duty acts are allowed a credit against federal duty for duty paid to a provincial government. Credit may not exceed 50% of the federal duty.

U. K. Position

In the **United Kingdom** these are the main exemptions:

—Estates under £3,000.

—Property of which the deceased was merely a trustee.

—Property passing by reason of a bona fide purchase for the full value of the property.

—Settled property e.g. if a man leaves the entire income from an estate to his wife, but directs the capital shall go to a particular person or persons after her death, duty will not be charged on her death.

—Property in which the deceased had an interest but never an interest "in possession."

—Property settled on the deceased for life which reverts on his death to the settlor.

—Certain gifts inter vives such as those less than £100. This does not apply to gifts made in contemplation of death.

—Quick succession relief where there are two deaths in rapid succession.

U. S. Deductions

In the **United States** a uniform specific exemption of $60,000.

Deductions allowed in calculating net estate are similar to expenses allowed in other countries except for a "marital deduction."

This is a deduction of property bequeathed to the widow up to one half the "adjusted gross estate," provided a complicated set of requirements are met. Most significant of these is that the bequest of a life interest does not qualify for the deduction unless the entire remainder is payable to her estate.

In addition charitable bequests to organizations may be deducted and quick succession relief is offered. Within limits other tax credits are allowed for gifts, death duties paid in a foreign country or to another state up to maximum amounts according to the size of the estate.

How should pensions and income interests be taxed?

Income Interest

One of the most common forms of inheritance is an income interest arising out of an estate as a life interest payable as a pension or an annuity.

In **Canada** all such payments are taxed for death duties on the capital value, computed actuarially with reference to the recipient's life expectancy.

Under an estate duty, such as is in force in the U. K. and the U. S., the situation is different since duty is charged on the estate and not on the beneficiary.

In the **United Kingdom** if a person has a life interest from a fund or a trust, he is considered for estate duty purposes to own the capital producing the life interest and duty is chargeable when he dies on the value of that capital which is considered to be passed on.

One important exception is life interest enjoyed by a surviving spouse.

Where estate duty has been paid on the death of the first spouse, no duty is leviable on the death of the surviving spouse.

Under **United States** law it is not necessary to value the shares going to different beneficiaries. For example: If a father dies leaving his son income from the property for life and on his death the property is to go to a grandson, the bequest is directly from the father to the grandson and the property is taxed only once—at the time of the father's death.

Taxation on Pensions

Here is a country-by-country outline of taxation on pensions:

In **Canada** the whole value of pensions paid out of a pension fund or plan is taxable. Where the deceased's employer has also contributed, no deduction is made for the employer's contribution. Court decisions have determined that where pensions are paid to the survivor of the deceased employee at the discretion of the employer, such pensions are not taxable.

In the **United Kingdom** duty on a pension from a pension or superannuation scheme arises where: (1) there was a contract between the employee and the employer that the benefit will be paid to the deceased's nominees; (2) the recipients have an enforceable right to the benefit under a deed or settlement; (3) the deceased contributed either voluntarily or compulsorily to the scheme.

In the **United States** pensions are taxed in proportions of the contributions of the deceased to the total contributions toward the pension. Where pensions are paid out of an approved fund to which both employer and employee contributed, the taxable part is based only on the employee's contribution.

In short, in **Canada** the only real exemption seems to be pensions payable to survivors of employees at the discretion of the employer and to which neither the decedent nor the survivors have an enforceable right.

Insurance Policies

This is prevailing practice regarding the taxing of insurance in the three countries:

In both the **United Kingdom** and **Canada** money received under the deceased's insurance policies on his own life are normally liable to death duty. Although this money did not exist before death, it is considered money which the deceased was "competent to dispose" and therefore property deemed to pass at death.

If the policy was wholly kept up by the deceased for the donee's benefit, the whole amount of the policy is taxable. If only part of the premiums were paid by him, a proportionate part of the policy money is taxable.

Under certain circumstances policies may be entirely outside the scope of estate duty. Where a person other than the deceased takes out a policy on the deceased's life and pays the premiums, policy money is then not part of the deceased's estate and the person receiving the money is not a donee, having paid for the policy.

Again, if the deceased sold his own policy to a purchaser during lifetime for its full value, the transaction is a bona fide purchase for full consideration and there is no death tax.

In the **United States,** prior to the revisions of the Internal Revenue Code insurance was taxable as part of the estate to the extent that the deceased either directly or indirectly paid the premiums or possessed the incidents of ownership.

Now, payment of premiums is no longer decisive and ownership has become the main test.

If at the time of his death, a man or his estate does not own the policy—if the decedent has irrevocably given away all rights to it—then it does not fall into his estate. As usual, ownership includes control.

To elaborate: life insurance payable to the decedent's estate is taxable no matter whether the decedent paid the premiums or whether he possessed any of the "incidents of ownership." But life insurance payable to other beneficiaries forms part of the estate only to the extent that the decedent possessed the "incidents of ownership" in the insurance at the time of his death.

Examples of the incidents of ownership are: the right of the insured or his estate to economic benefits of the insurance, the power to change the beneficiary, the power to surrender or cancel the policy or to assign it or to revoke an assignment, the power to pledge the policy for a loan or to obtain from the insurer a loan against the surrender value of the policy, and reservation of the power to change the beneficiary by a corporation of which the decedent is sole stockholder.

It does not matter whether the ownership powers can be exercised by the decedent alone or only in conjunction with others.

Charitable Bequests

What should be the position of charitable bequests?

In **Canada,** bequests to charitable organizations in Canada are exempt from succession duty; however, such bequests are included in the aggregate net value of the estate. Since the aggregate net value of the estate determines the initial rate of succession duty, bequests to charitable organizations may operate to increase the initial rate of succession duty which is applicable to other successions in the estate.

In order that the bequest may qualify for the exemption from succession duty the charitable organization must meet the requirement that it is operated exclusively for charitable purposes and not for the benefit or gain of any member or shareholder.

Charitable purposes are regarded as including:

(1) relief of poverty;
(2) advancement of religion;
(3) advancement of education; and
(4) other purposes beneficial to the community.

In the **United Kingdom** charitable bequests do not escape the estate duty.

In the **United States** charitable bequests are deductible from the estate and are not taken into account in determining the rate of duty applicable to the balance of the estate.

The charitable bequest will be exempt from estate duty if either of the following sets of conditions is met:

(1) The beneficiary is a corporation organized and operated exclusively for religious, charitable, scientific, literary or educational purposes, none of the net profits of which accrue to a shareholder of the corporation.

(2) The beneficiary is a trustee, a fraternal society, or an order and the bequest is to be used by the beneficiary for religious, charitable, scientific, literary or educational purposes.

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THE CANADA PERMANENT TRUST COMPANY
HEAD OFFICE — 320 BAY STREET, TORONTO

Mortgage Firms Report 1955 Progress

(Continued from page 52)

Total assets under administration also set a net high in its centenary year.

At Dec. 31, 1955, assets totaled $147,099,965, up 12% from $131,583,625. Mortgages and agreements for sale on real estate rose to $98,819,098 ($89,508,161 the year before). Government of Canada bonds held slipped to $22,147,108 ($22,476,608), provincial bond holdings were up at $2,834,771 ($716,737), municipals rose to $3,731,940 ($2,246,896), and other bond holdings increased slightly to $3,046,646 ($3,318,512).

Holdings in Canada Permanent Trust were increased by three shares to 19,600 and are shown at cost of $2,460,000. Other stocks held are carried at $5,460,911 ($4,746,624). Cash was lower at $5,484,940 ($5,881,965).

Liabilities to the public were up at $132,696,562 ($120,672,503) with deposits rising to $69,733,321 ($60,687,866). Canadian debentures rose to $62,006,215 ($59,128,002) while sterling debentures and accrued interest were reduced to $236,096 ($335,888).

Capital stock consists of 1,000,000 $20 par authorized with 350,000 subscribed for and paid-up. Reserve fund was increased by $500,000 to $7 millions.

Company paid $1,050,000 in dividends consisting of four quarterly dividends of 65c and four 10c bonus dividends. So far this year the company paid a regular quarterly dividend of 75c and has declared four 10c quarterly bonus dividends.

Canada Permanent maintains offices in Toronto, Winnipeg, Vancouver, Victoria, Montreal, Halifax, Saint John, N.B., Edmonton, Woodstock, Brantford, Hamilton and Port Hope, Ont. Trust company operations are carried on through a subsidiary — Canada Permanent Trust.

Fidelity Trust

Fidelity Trust Co., Winnipeg, main business is mortgage loans and financing of trade notes. In 1955 it had a net profit of $12,893, a drop of 7% from $13,923 in 1954.

Assets dropped to $455,107 ($801,087 at the end of 1954). Mortgages and agreements for sale totaled $11,621 ($18,040). Loans and advances at $407,413 were down from $771,772.

Capital stock authorized at Dec. 31, 1955, was 20,000 shares of $27.50 par, of which 15,503 shares were subscribed and fully paid. General reserve was unchanged at $31,000 and surplus rose to $15,761 ($10,619).

Empire Loan

Empire Loan Co., Winnipeg, had a net profit of $15,663 in 1955, a drop of 17% from profit of $19,064 in 1954. Earnings were equal to $2.55 a share, as against $3.10 a share.

Assets at Dec. 31, 1955, totaled $583,344 ($577,819 a year earlier). Investments at $478,342 were down from $570,001 and consisted of bonds and stocks $19,412 ($22,064); loans $119,531 ($110,003); mortgages $114,296 ($133,386); properties after depreciation, $195,101 ($204,549). At the end of 1954, the company had $100,000 investment in Fidelity Trust Co. but none is shown at the end of 1955.

Authorized capital consisted of 7,000 shares of $80 par of which 6,142 shares are issued and fully paid. General reserve and capital surplus were unchanged at the end of 1955 at $35,000 and $26,510 respectively. Earned surplus rose to $24,956 from $15,435.

Trust, Loan Stocks

	Recent Price Per Share $	Indicated Divd. $	Earnings Per Share $	Yield %	Price/ Earns. Ratio
Can. Permanent Mortgage ...	87¼	3.40	4.31	3.90	20.2
Chartered Trust	66	1.40	3.87	2.12	17.1
Crown Trust	23½	0.60	1.50	2.55	15.7
Guaranty Trust	20	0.70	1.30	3.50	15.4
Huron & Erie Mortgage	37	1.40	2.24	3.78	16.5
Montreal Trust	27	1.25	2.17	4.63	12.4
National Trust	42	1.40	1.60	3.33	26.3
Ontario Loan & Debenture ...	27⅛	1.15	1.43	4.24	19.0
Premier Trust	82	4.00	6.16	4.88	13.3
Royal Trust	31	1.25	2.06	4.03	15.0
Sterling Trusts	48	1.80	3.03	3.75	15.8
Toronto General Trusts	37	1.40	2.55	3.78	14.5
Toronto Mortgage	114	5.00	5.05	4.39	22.6
Victoria & Grey	25	1.00	1.88	4.00	13.3

Company Reports

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

Public Utilities

NEWFOUNDLAND LIGHT & POWER CO., St. John's Nfld., net profit for 1955 jumped 25.5% ahead of 1954 to $570,231 from $454,323.

Gross revenues were 12.7% higher while operating expenses rose only 9.8% reflecting fact that there was sufficient rainfall to provide ample hydro power supply throughout year. Company's auxiliary plant would have augmented power supply had rainfall not been so good but would have increased operating expenses by $250,000 reports President D. Stairs.

Electricity demand in St. John's area now exceeds output of company's water power plants in a dry year. Construction of new steam plant there continued and should be ready by mid-1956.

Company laid a third submarine cable from Broad Cove to Bell Island to provide additional power for Wabana iron ore mines. Company almost completed conversion of transmission to 66,000 volts from 33,000. Program begun in 1954 has considerably cut transmission losses.

There was an 8.2% increase in total generated and purchased electricity, with 156.3 million kwh purchased and 28.6 million kwh purchased.

INCOME ACCOUNT

Years Ended Dec. 31:	1955	1954
Gross earnings	$3,100,684	$2,748,928
Net earnings	2,096,952	1,791,389
Less: Bond int.	367,695	292,969
Bond expense	71,107	87,763
Commis. on shs.	.....	1,923
Depreciation	575,000	520,000
Income taxes	512,919	434,411
Net profit	570,231	454,323
Less: Pref. divds.	180,000	100,000
Common divds.	180,000	179,731
Surplus for year ...	290,231	174,542
Times Bond Interest Earned:		
Before depr.	5.70	6.11
After depr.	4.14	4.34
Earnings per Share and Dividend Record:		
Preferred	$28.51	$22.72
Paid	5.00	5.00
Common	3.14	2.36
Paid	1.20	1.20

CONDENSED BALANCE SHEET

As at Dec. 31:	1955	1954
Cash	$444,274	$19,680
Accts. rec., less res. ..	263,065	242,405
Inventories, less res. .	133,449	146,977
Total curr. assets ..	845,788	409,062
Misc. assets	14,091	18,159
Fixed assets*	19,070,423	16,741,783
Total assets	19,930,302	17,169,004
Bank loan	.....	234,000
Accts., etc., pay.	819,865	306,694
Taxes pay.	212,361	116,381
Total curr. liabs. ...	1,032,226	657,055
Depreciation res.	2,163,814	1,671,486
Other res.	4,108	4,811
Def. tax	308,291	149,959
Funded debt	10,313,000	8,906,000
Capital stock	3,500,000	3,500,000
Prem. on c. stk.	212,655	213,655
Capital surplus	1,131,636	1,097,727
Earned surplus	1,263,572	968,311
*At depreciated value.		
Working capital†	186,438	247,993
†Excess of curr. liabs. over curr. assets.		
Contingent liability — Capital expenditure commitments totaled approx. $845,000 as at Dec. 31, 1955.		

Pulp and Paper

MERSEY PAPER CO., Liverpool, N.S., consolidated net profit for 1955 rose 6.7% above 1954 ($3,263,024 vs. $3,058,331).

Company converted $512,373 undistributed income into $435,517 taxpaid undistributed income by paying 15% tax of $76,856, in accordance with section 105 of Income Tax Act.

Mersey subsequently redeemed outstanding 5% cumulative redeemable preferred shares and created 70,000 new 5% cumulative preferred shares, $100 par. Mersey also redeemed $600,000 3½% Series B bonds. It borrowed $3.3 million at 3½% on unsecured note of company which it replaced in February, 1956, by issue of $3.6 million 3¾% debentures, with $600,000 maturing annually 1957-62.

Reduction in working capital was due to redemption of bonds and preferred stock. Capital expenditures for additions and replacements amounted to $880,819.

Future expenditures should enable further increases in machine speed and production to keep pace with growing newsprint demand, says President J. Waters.

CONS. INCOME ACCOUNT

Years Ended Dec. 31:	1955	1954
Net earnings*	$6,743,238	$6,508,918
Less: Deprec.	570,215	556,598
Bond int.	3,280	24,500
Other int.	78,445	.....
Inc. tax prov.	2,820,274	2,869,489
Net profit	3,763,024	3,658,331
Less: Pref. divds.	77,471	313,065
Com. divds.	594,762	198,254
Surplus for year	2,590,791	2,547,012
*After depletion.		
Times Interest Earned:		
Before deprec.	82.51	265.67
After deprec.	75.53	242.95
Earnings per Share and Dividend Record:		
Pref. 5%: Earned ..	▲	$49.25
Paid	$1.25	5.00
Com.: Earned	16.07	13.85
Paid	†2.00	1.00
†Plus stock divd. of one 5% curr. red. pref. sh. $100 par for each 11 1/9 com. shs. held pd. Feb. 1, 1956. ▲Redeemed Apr. 1, 1956.		

CONDENSED CONS. BALANCE SHEET

As at Dec. 31:	1955	1954
Cash & govt. bds.	$1,220,687	$3,355,955
Accts. rec.	1,626,374	1,529,622
Inventories	5,403,094	4,294,409
Total curr. assets ...	8,250,155	9,179,986
Def. chgs.	110,518	127,374
Investments	84,885	89,430
Misc. assets	.....	163,907
Fixed assets	21,818,410	21,446,571
Total assets	30,263,968	31,007,268
Notes pay.	3,300,000	.....
Accts., tax., etc., pay.	2,188,533	2,377,431
Bonds due	.....	200,000
Total curr. liabs.	5,488,533	2,577,431
Funded debt	.....	400,000
Depreciation res.	11,287,222	10,838,650
Capital stock	1,957,288	8,167,188
Tax-pd. undst. inc. ..	1,269,617	836,181
Cap. redemp. res.	.....	519,647
Capital surplus	215,189	282,117
Earned surplus	10,046,119	7,448,054
Working capital	2,761,622	6,602,555

Questions your wife should ask... about this man

Who will he be—this Executor of my husband's estate?

Will the family like him?

What experience has he had?

Could he go right ahead, without fuss or delay in settling the estate?

Will he be entirely impartial?

Will he keep family affairs strictly 'in the family'?

Besides being efficient, will he be pleasant in his business relations?

(and most important) *Where will he be when he's needed?*

If he is to be a Trust Officer from National Trust you can be *sure* he'll be on hand when needed. Under his expert management, terms of the Will are carried out with competence, without fuss or favoritism, yet with kindness and understanding.

'Phone or write for an appointment and a National Trust Officer will be pleased to discuss estate planning with you.

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National Trust COMPANY LIMITED

FP-56

The Financial Post Statistical Record of Trust and Loan Companies

Trust Companies

Unless otherwise stated year taken is the calendar year. Net profit is the balance of profit after deducting total taxes and write-offs on property, showing the amount available for dividends. Earnings per share are calculated on net profit as shown, based on paid-up capital at the end of the fiscal year.

	Year	Gtd. Trust Account $	Capital Account $	Estates, Trusts, etc. $	Combined Total $	Paid-up Capital $	Par Value $	Net Profit $	Earn. Per Sh. $	Dividends Paid or Pay. $	Surplus Forward $	Reserve $	OFFICERS
ACADIA TRUST	*1955	1,037,587	1,410,312	11,689,467	14,137,366	200,000	npv	48,596	2.43	2.20	136,283	800,000	H. F. Bethel, chm.; C. E. Stanfield, pres.; C. G. MacLennan, vice-pres.; P. J. Wilcox, mgr.; R. J. Sperry, sec.
	*1954	1,286,955	1,405,418	11,167,394	13,859,767	200,000	npv	48,812	2.44	1.90	131,688	800,000	
*Year ended Nov. 30.													
ADMINISTRATION AND TRUST	1955	16,103,926	2,589,022	187,070,061	205,763,009	1,193,750	25	214,798	4.50	2.50	128,834	1,000,000	Hon. E. L. Patenaude, chm.; Joseph Simard, pres.; Hon. J. A. Brillant, pres. of exec.; Hon. Wilfrid Gagnon, Eugene Poirier, Rolland Prefontaine, vice-pres's; J. Hebert Chretien, gen. mgr.; Henri de Cazes, asst. gen. mgr.; Jacques St.-Aubin, sec.-treas.
	1954	12,662,607	2,446,417	177,933,438	193,042,462	1,193,750	25	193,584	4.05	2.00	392,501	500,000	
BRITISH CANADIAN TRUST	1955	1,422,475	558,820	2,859,620	4,840,915	200,000	100	18,763	9.38	7.00	8,921	90,000	R. R. Davidson, pres.; George Lomas, vice-pres.; D. G. W. Sutherland, sec. & mgr.
	1954	1,194,200	764,164	2,992,350	4,950,714	200,000	100	18,204	9.10	7.00	9,129	85,000	
BRITISH MORTGAGE & TRUST	1955	18,293,919	2,486,911	984,961	21,765,791	1,000,000	100	150,497	15.05	12.00	134,752	1,200,000	W. H. Gregory, pres. & man. dir.; Dr. H. W. Baker, C. E. Moore, vice-pres's; W. P. Bradshaw, asst. mgr.
	1954	17,307,290	2,424,069	1,038,811	20,770,170	1,000,000	100	123,068	12.31	10.00	104,255	1,200,000	
BROCKVILLE TRUST & SAVINGS	1955	3,230,039	1,154,809	3,275,807	7,660,655	700,000	50	46,844	3.35	*1.87½	‡374,444	▲	J. G. Gardner, pres.; G. T. Fulford, vice-pres.; A. E. Hetherington, man. dir.; N. F. Robinson, treas.
	1954	2,467,246	1,178,596	3,235,648	6,881,490	700,000	50	51,692	†3.93	3.00	35,375	350,000	
†Based on number of shares o/s as calculated from dividends paid. *Three quarterly payments only. ‡Including $214,428 tax-paid undistributed income. ▲Transferred to surplus account.													
CANADA PERMANENT TRUST	1955	457,300	3,275,748	120,917,843	124,650,891	2,000,000	100	174,848	8.74	6.00	190,748	1,000,000	Hon. T. D'Arcy Leonard, pres. & gen. mgr.; C. S. Robertson, R. L. Warren, L. M. McCarthy, vice-pres's; W. F. Watkins, sec.; W. L. Knowlton, C. F. Mackenzie, J. McI. Tutt, asst. gen. mgrs.; W. G. W. Robinson, inspector of branches; W. R. Piercy, compt.
	1954	548,399	3,225,900	112,142,821	115,917,120	2,000,000	100	161,983	8.10	6.00	135,900	1,000,000	
CANADA TRUST	1955	34,794,586	4,226,799	209,726,308	248,747,693	2,000,000	20	266,617	2.67	1.60	91,799	1,850,000	Col. Ibbotson Leonard, chm.; Morley Aylsworth, pres.; Hon. Ray Lawson, Rt. Hon. Arthur Meighen, vice-pres's; R. P. Baker, J. Allyn Taylor, gen. mgrs.; J. P. Collyer, asst. gen. mgr. & sec.
	1954	39,068,977	4,060,182	184,874,659	228,003,818	2,000,000	20	228,355	2.28	1.60	85,182	1,750,000	
CENTRAL TRUST OF CANADA	1955	6,128,953	690,404	21,433,721	28,253,078	412,450	10	47,664	1.16	0.60	56,887	150,320	C. C. Avard, chm.; Ambrose Wheeler, pres.; M. P. Fraser, Dr. H. E. Britton, Hon. C. F. Savoie, vice-pres's; E. H. Ritcey, sec. & gen. mgr.; J. A. Gaudet, asst. sec. & asst. mgr.; W. R. Smith, compt.
	1954	5,712,858	666,175	18,928,400	25,307,433	411,810	10	41,837	1.02	0.60	42,335	150,000	
CHARTERED TRUST	1955	25,170,144	3,561,718	84,134,143	112,866,006	1,500,000	20	200,011	3.87	1.25	179,494	1,500,000	R. R. Corson, pres.; K. R. Marshall, C. G. Greenshields, J. M. Macintosh, N. C. Urquhart, vice-pres's; H. E. Langford, man. dir.; D. P. MacDougall, asst. gen. mgr.; H. G. Soward, asst. gen. mgr. & sec.; K. Burn, asst. gen. mgr. & estates mgr.; R. J. Hallawell, treas.; A. E. Stead, compt.
	1954	22,376,505	3,347,009	74,720,487	100,444,001	1,500,000	20	200,390	†3.56	1.20	83,233	1,500,000	
†Based on number of shares as calculated from dividends paid.													
CROWN TRUST CO.	1955	30,466,564	3,246,111	128,424,757	162,137,432	1,500,000	10	225,084	1.50	0.60	85,863	1,500,000	J. A. McDougald, pres.; Col. The Hon. H. A. Bruce, Hon. G. P. Campbell, H. A. Howard, vice-pres's; R. S. Anderson, exec. vice-pres.; E. T. Godwin, gen. mgr.; James H. Joyce, H. J. Howard, H. F. Kerrigan, J. K. Wedlake, asst. gen. mgrs.; W. A. Dunlop, sec.; E. A. McMillen, chief acct.; G. St. J. Vale, compt.
	1954	27,930,280	2,581,898	119,723,738	150,235,916	1,267,500	†10	176,455	(1.39)	‡5.00	81,041	1,100,000	
†After giving effect to 10-for-1 stock split in Feb., 1955. ‡Old stock.													
EASTERN TRUST	1955	23,050,848	2,903,795	127,680,229	153,634,872	1,250,000	10	252,072	2.24	1.00	98,729	1,100,000	A. S. Fraser, pres. & man. dir.; J. C. MacKeen, C. B. Smith, Donald McInnes, vice-pres's; R. P. Howard, asst. to pres.; J. G. Sewell, H. C. Oxley, asst. gen. mgrs.; E. G. Dewling, sec.
	1954	15,531,356	2,275,442	115,898,702	133,705,500	1,000,000	10	246,358	2.46	1.00	93,157	725,000	
EQUITABLE TRUST	1955	.....	2,363,944	20,012	2,383,956	600,000	100	*	*	*	306,814	400,000	A. B. Flett, pres. & man. dir.; A. P. Flett, sec.
	1954	.....	2,269,759	40,967	2,310,726	600,000	100	*	*	*	289,063	400,000	
*Not stated.													
GENERAL TRUST OF CANADA	1955	13,153,003	1,847,427	156,028,024	171,028,454	*1,105,000	†100	153,920	†13.99	†*5.00	149,852	400,000	Hon. Donat Raymond, chm.; Marcel Faribault, pres. & gen. mgr.; L. J. A. Amyot, Hon. J. Nicol, Chas. St.-Pierre, vice-pres's; Romeo Bertrand, asst. gen. mgr. & treas.; H. N. Guilbault, sec.
	1954	9,814,372	1,724,254	161,226,624	172,765,250	*1,105,000	†100	113,602	†10.33	†*5.00	150,932	300,000	
*Comprising $1,000,000 7% noncum. pref., $100 par, and $5,000 common, $5 par. †Pref. only. *None paid on common.													
GUARANTY TRUST	1955	42,611,230	4,097,046	69,476,434	116,184,710	2,500,000	10	323,476	1.30	0.60	212,389	1,250,000	J. Wilson Berry, pres. & gen. mgr.; A. J. Major, E. M. Proctor, F. H. Leslie, H. H. Racine, vice-pres's; E. T. Berry, A. B. Ramsay, asst. gen. mgrs.; A. L. Richardson, chm. investment committee; G. Harold Edwards, supt. of branches; J. J. Olscamp, northern supervisor; L. F. Worsley, western supervisor; J. A. Thompson, sec.
	1954	34,251,850	3,147,590	63,039,013	100,438,453	2,000,000	10	243,454	1.22	0.60	38,913	1,000,000	
GUARDIAN TRUST	1955	13,017	560,554	23,353,913	23,927,484	195,200	100	18,675	9.57	3.50	28,217	*160,000	Stanley Stanger, chm.; Robert Stanger, vice-chm.; R. C. Tees, pres.; P. A. Pinck, vice-pres., gen. mgr. & treas.; N. S. Brooke, vice-pres.; C. P. Martin, sec.; G. L. Hale, asst. treas.
	1954	13,009	531,990	21,984,810	22,529,809	195,200	100	14,828	7.60	3.00	17,948	55,183	
*Including $83,635 capital surplus.													
HALTON & PEEL TRUST & SAVINGS	*1955	714,214	500,812	.....	1,215,026	500,460	10	578	0.001	....	*5,422	.....	A. S. Nicholson, pres.; O. E. Manning, vice-pres. & gen. mgr.; J. A. Roberts, Dr. C. A. Martin, vice-pres's; Angus McMillan, sec.-treas.
*Incorporated Jan. 20, 1955. *Deficit.													
INDUSTRIAL MORTGAGE & TRUST	1955	10,378,335	1,300,068	1,534,139	13,212,542	635,000	50	79,842	6.29	4.00	54,550	550,000	John Cowan, pres.; H. J. Lockhart, W. D. Ferguson, vice-pres's; B. Charlton, gen. mgr. & sec.
	1954	9,567,785	1,262,675	1,431,846	12,262,306	635,000	50	64,262	5.06	3.75	75,507	500,000	
LAMBTON TRUST	1955	.....	407,791	2,619,986	3,027,777	315,350	50	14,701	2.33	2.25	16,200	75,000	C. H. Belton, pres.; J. A. Smith, vice-pres.; G. C. Norsworthy, mgr.; E. A. Pardee, sec.-treas.
	1954	.....	409,558	2,401,978	2,811,536	315,350	50	18,555	2.04	2.50	15,690	75,000	
MARITIME TRUST—Wholly owned subsidiary of Montreal Trust Co.; acquired in 1954.													
MONTREAL TRUST	1955	64,387,003	10,281,460	.....	‡74,668,463	2,000,000	5	868,039	2.17	1.20	671,874	7,000,000	W. H. Howard, chm.; O. B. Thornton, pres.; James Muir, vice-pres.; D. E. Kerlin, vice-pres. & gen. mgr.; G. A. Goad, S. A. Cobett, R. K. Johnston, asst. gen. mgrs.; M. C. Holt, sec.; W. Williamson, compt.
	1954	68,433,797	10,036,387	▲	‡78,470,184	2,000,000	5	704,248	1.76	1.00	783,385	6,500,000	
‡Excluding estates, trusts, and agencies under administration. ▲Not included in company's accounts after 1953.													
NATIONAL TRUST	1955	60,131,943	7,132,557	441,744,884	509,009,384	3,000,000	10	478,501	1.60	1.40	347,360	3,500,000	R. A. Laidlaw, chm.; J. G. Hungerford, pres.; A. N. Mitchell, E. C. Fox, vice-pres's; H. H. Wilson, vice-pres. & gen. mgr.; W. N. Simpson, exec. asst.; E. H. Ainlay, sec.-treas.; C. A. Burton, asst. sec.-treas.
	1954	48,318,624	7,048,419	411,693,417	467,060,460	3,000,000	10	456,064	1.52	1.30	288,859	3,500,000	
NORTHERN TRUSTS—Wholly owned by Montreal Trust Co.; operations merged early in 1954.													
NOVA SCOTIA TRUST	*1955	5,453,061	1,100,007	28,053,343	34,606,411	500,000	10	63,352	1.27	0.80	46,976	450,000	M. S. Clarke, pres.; R. W. Elliot, A. N. Jones, vice-pres's; Donald G. Grant, gen. mgr.; E. Fraser, sec.; J. H. MacAdam, trust officer.
	*1954	4,470,540	1,075,607	25,652,977	31,199,124	500,000	10	64,129	1.28	0.80	23,624	450,000	
*Year ended Sept. 30.													
OKANAGAN TRUST	*1955	80,553	295,885	580,047	956,485	250,000	100	6,639	2.68	2.00	25,605	nil	J. R. Beale, hon. chm.; Douglas Dewar, chm.; Capt. C. R. Bull, vice-chm.; O. St. P. Aitkens, pres. & man. dir.; Kenneth Garland, sec.
	*1954	87,705	287,427	415,811	790,943	250,000	100	8,367	3.35	3.80	23,916	nil	
*Year ended June 30.													
OSLER & NANTON TRUST—Acquired by Toronto General Trusts Corp. in 1954.													
PREMIER TRUST	1955	9,870,638	1,565,278	6,834,692	18,270,608	1,184,546	100	72,955	6.16	4.00	48,192	300,000	T. B. Holmes, pres. & gen. mgr.; N. S. Watt, vice-pres. & sec.
	1954	7,211,930	1,537,824	6,819,321	15,569,075	1,184,543	100	67,731	5.72	4.00	122,620	200,000	
PRUDENTIAL TRUST	1955	.....	544,356	17,585,830	18,130,186	175,270	10	9,286	0.53	0.50	245,059	100,000	L. R. Champion, chm.; F. S. Taylor, pres. & man. dir.; M. St. B. Collins, vice-pres.; Alfred Hall, sec.; G. M. Rae, treas.
	1954	.....	528,409	16,634,010	17,163,420	175,270	10	213	0.012	0.50	235,469	100,000	
ROYAL TRUST	1955	81,011,658	18,231,557	1,348,533,830	1,447,777,045	2,300,000	5	1,024,883	2.23	1.20	2,330,970	6,000,000	Ross Clarkson, chm.; R. P. Jellett, hon. pres.; J. Pembroke, pres.; J. A. Eccles, B. C. Gardner, G. R. Ball, vice-pres's; J. M. Wells, gen. mgr.; W. E. Bickley, A. H. Montgomery, G. O. Vale, C. F. Harrington, R. K. Berry, Maurice Forget, D. A. Baillie, R. J. Wilson, asst. gen. mgrs.
	1954	57,732,364	16,743,780	1,240,815,229	1,315,291,373	2,000,000	‡5	825,882	(2.07)	†4.75	2,026,587	5,000,000	
‡After giving effect to 4-for-1 stock split in Mar., 1955. †Old stock.													
SHERBROOKE TRUST	1955	.....	4,502,182	12,140,344	16,642,526	300,000	100	49,047	16.35	7.00	44,687	400,000	Chenier Picard, pres.; D. J. Salls, vice-pres.; P. M. Robins, sec.-treas.
	1954	.....	4,268,876	11,018,876	15,287,752	300,000	100	43,667	14.55	7.00	66,641	350,000	
SOCIETE NATIONALE DE FIDUCIE	1955	4,316,609	1,096,471	41,975,068	47,388,148	250,000	10	83,672	3.35	1.50	130,940	610,000	Victor Morin, pres.; V. E. Beaupré, 1st vice-pres.; Anatole Lachapelle, 2nd vice-pres.; Henri Ouimet, gen. mgr. & sec.
	1954	4,481,486	1,057,887	39,659,557	45,198,930	250,000	10	79,607	3.18	1.40	124,768	570,000	
STERLING TRUSTS	1955	9,910,180	1,598,471	9,495,813	21,004,464	918,619	20	139,179	3.03	1.80	70,063	525,000	R. T. Birks, pres.; Robt. Bigelow, H. T. Burgess, vice-pres's; J. R. Lovatt, man. dir.; J. M. Smillie, treas.; E. R. Meredith, sec.
	1954	9,048,914	1,522,076	9,129,704	19,700,694	914,970	20	125,763	2.75	1.60	63,290	475,000	
TORONTO GENERAL TRUSTS	1955	51,506,771	6,714,114	383,529,809	441,750,694	3,000,000	20	381,922	2.55	1.40	240,634	3,200,000	C. C. Calvin, pres.; W. G. Watson, hon. pres.; A. L. Bishop, Isaac Pitblado, vice-pres's; G. C. Lindsay, vice-pres. & gen. mgr.; A. R. Courtice, W. H. Mowat, D. K. Tow, asst. gen. mgrs.; G. F. McKitterick, sec.
	1954	47,804,987	6,839,327	359,860,940	414,505,254	3,000,000	20	337,045	2.25	1.40	68,712	2,800,000	
VICTORIA & GREY TRUST CO.	1955	42,932,140	4,636,266	10,607,133	58,175,539	2,418,000	10	396,715	*1.88	0.80	2,444	2,000,000	G. D. Fleming, chm.; T. H. Stinson, pres.; E. N. Cooper, J. G. Fraser, H. J. McLaughlin, T. A. Mackay, F. G. Perrin, vice-pres's; G. A. Weeks, gen. mgr. & sec.; R. G. Thomas, asst. gen. mgr.; K. D. Johnston, treas.
	1954	37,951,778	3,705,302	10,523,840	52,180,920	2,015,000	10	257,734	1.28	0.80	59,569	1,500,000	
*Based on number of shares o/s as calculated from dividends paid.													
WATERLOO TRUST & SAVINGS	1955	37,702,721	3,224,639	23,498,870	64,426,230	2,000,000	20	171,316	1.71	1.20	41,464	1,000,000	F. S. Kumpf, chm.; P. V. Wilson, pres.; L. L. Lang, P. R. Hilborn, vice-pres's; J. W. Scott, gen. mgr.; W. A. Bean, deputy gen. mgr.; F. M. Hearn, asst. gen. mgr.
	1954	35,435,040	3,094,687	22,156,178	60,685,905	2,000,000	20	153,244	1.53	1.20	40,148	900,000	
WESTERN TRUST	1955	22,548	1,690,059	4,591,684	6,304,291	1,005,000	100	82,240	8.18	7.00	286,625	330,000	A. B. Adamson, pres. & man. dir.; G. R. Whitmore, vice-pres.; Lincoln Johnson, sec.
	1954	29,965	1,680,530	4,411,781	6,122,276	1,005,000	100	84,845	8.44	7.00	274,735	330,000	

Mortgage Companies

	Year	Total Assets $	Mortgages, Interest & Sales Agree. $	▲Liability to Public $	Paid-up Capital $	Par Value $	Net Profit $	Earn per Sh. $	Dividends per Sh. $	Surplus Forward $	Reserve $	OFFICERS
CANADA PERMANENT MORTGAGE	1955	147,099,965	98,819,098	132,955,062	7,000,000	20	1,507,281	4.31	3.00	140,903	7,000,000	C. S. Robertson, pres. & gen. mgr.; R. L. Warren, Hon. T. D'Arcy Leonard, L. M. McCarthy, vice-pres's; W. F. Watkins, C. F. Mackenzie, J. W. Rose, Jr., asst. gen. mgrs.; W. G. W. Robinson, supt. of branches; G. G. Bryce, insp. of branches; G. D. Laverock, sec.; W. R. Piercy, compt.
	1954	134,563,625	89,508,161	120,900,003	7,000,000	20	1,324,852	3.79	2.80	183,622	6,500,000	
CREDIT-FONCIER FRANCO-CANADIEN	1955	76,860,559	67,968,185	47,205,101	10,226,527	n.p.v.	1,314,170	†3.10	*1.75	‡1,828,420	▪15,770,511	Comte Cahen d'Anvers, hon. pres.; Emmanuel Monick, pres.; Hon. E. L. Patenaude, vice-pres.; Bernard Lechartier, gen. mgr.; Jacques de Lavergne, asst. gen. mgr. & gen. sec.; J. B. Ratelle, compt.; Raymond Lavoie, insp. gen.; Bernard Leclerc, asst. gen. mgr.
	1954	67,791,169	61,526,020	39,472,358	10,226,527	n.p.v.	1,057,853	†2.49	*1.75	‡1,556,505	▪14,905,781	
†Based on net profit as shown. *Paid June 1, following year. ‡Before current dividends, statutory reserve, etc. ▪Includes statutory reserve of $2,271,743 in 1955, $2,218,850 in 1954.												
EASTERN CANADA SAVINGS & LOAN	1955	24,941,350	22,032,922	21,962,816	1,500,000	10	229,560	†1.84	0.95	78,534	1,200,000	C. A. B. Bullock, pres.; H. P. Connor, vice-pres.; F. A. Milne, gen. mgr.; H. M. McInnes, asst. gen. mgr.; Edward Tomes, mgr.
	1954	21,144,094	19,084,456	18,674,039	1,250,000	10	200,735	1.61	0.90	20,055	1,000,000	
†Based on number of shares o/s as calculated from dividends paid.												
EMPIRE LOAN	1955	583,344	‡339,398	2,016	491,360	80	15,663	2.55	1.00	24,956	35,000	R. W. Rutherford, pres.; K. A. Powell, vice-pres.; C. S. McDonald, mgr.; T. R. Slagsvol, sec.-treas.
	1954	582,919	‡337,935	13,130	491,360	80	19,065	3.10	1.00	15,435	35,000	
‡Includes land and apartment blocks.												
FIDELITY TRUST	1955	455,107	11,621	20,224	387,575	25	12,893	0.83	0.50	15,761	31,000	R. W. Rutherford, pres.; K. A. Powell, vice-pres.; C. S. McDonald, mgr.; T. R. Slagsvol, sec.-treas.
	1954	801,087	18,040	371,063	387,575	25	13,923	0.90	0.50	10,619	31,000	
HURON & ERIE MORTGAGE	1955	88,144,596	62,663,954	79,843,186	5,000,000	20	559,743	2.24	1.40	301,410	3,000,000	Col. Ibbotson Leonard, chm.; Morley Aylsworth, pres.; V. P. Cronyn, vice-pres.; J. Allyn Taylor, R. P. Baker, gen. mgrs.; J. P. Collyer, asst. gen. mgr. & sec.
	1954	80,603,974	54,580,515	72,512,307	5,000,000	†20	452,546	(1.81)	‡6.00	241,667	2,850,000	
†Stock split 5-for-1 in Jan., 1955. ‡Old stock.												
LA CIE. FONCIERE DE MAN.	1955	711,397	72,033	8,893	600,000	75	13,815	1.73	....	102,504	.....	M. J. A. M. de la Giclais, hon. pres.; Yvon Segalen, pres.; Thos. Turnbull, vice-pres.; Mrs. C. B. Nourse, sec.
	1954	727,427	71,945	12,604	600,000	75	4,481	0.56	....	114,823	.....	
LA SOCIETE DE PRETS ET PLACEMENT	1955	1,478,812	1,432,394	206,614	800,000	100	44,016	5.50	5.00	63,899	*408,299	J. A. Grenier, pres.; Dr. J. E. Fortier, vice-pres.; L. P. Dionne, sec.-treas. & gen. mgr.
	1954	1,482,360	1,463,318	221,536	800,000	100	39,949	4.99	5.00	52,525	*408,299	
*Including $253,750 premium on sale of capital stock.												
LAMBTON LOAN & INVESTMENT	1955	7,884,173	5,626,513	6,125,022	789,750	50	88,771	5.62	4.00	69,401	900,000	C. H. Belton, chm.; J. A. Smith, pres.; H. M. Taylor, vice-pres.; G. C. Norsworthy, mgr.; S. A. Hyde, sec.
	1954	7,462,689	4,894,226	5,729,130	789,750	50	69,379	4.39	4.00	43,810	900,000	
NORTHERN CANADIAN MORTGAGE	*1956	961,043	86,826	30,458	306,401	‡	47,232	†3.85	†5.75	490,379	90,000	G. W. Northwood, pres.; E. G. Cass, vice-pres.; G. Stubbs, sec.
	*1955	881,005	95,249	29,470	306,401	‡	42,412	†3.46	†3.00	411,229	90,000	
*Year ended Mar. 31. ‡Capital stock comprises 12,256 6% cum. red. pref. sh., $25 par, and 13,618 n.p.v. common shs. †Preferred only.												
N. S. SAVINGS, LOAN & BLDG. SOC.	1955	12,452,407	11,720,517	10,152,640	†1,516,378	240	182,242	†	†	63,389	720,000	A. B. Wiswell, chm.; Walter Mitchell, pres.; W. deW. Barss, vice-pres.; F. A. Lane, mgr. & sec.-treas.; G. R. Guy, asst. mgr.
	1954	11,140,021	10,570,389	8,975,316	†1,419,809	240	138,724	†	†	59,897	685,000	
†Capital stock comprises 6% and 5% cum., red. shs.; amount credited to shareholders account in 1955 totaled $114,749 (including bonus of $42,505); in 1954 totaled $96,143 (including bonus of $27,790).												
ONTARIO LOAN & DEBENTURE	1955	39,257,610	32,481,136	33,477,010	2,500,000	10	338,753	1.36	1.15	210,600	3,000,000	Archibald McPherson, pres.; T. H. Main, vice-pres.; F. E. A. McKellar, mgr.
	1954	36,530,965	29,753,187	30,811,618	2,500,000	10	302,475	1.21	1.10	159,347	3,000,000	
SASKATCHEWAN LOAN & INVEST.	1955	507,286	224,062	25,010	361,712	50	10,990	†1.57	2.50	80,564	40,000	N. J. Bellamy, pres.; A. T. Wilson, vice-pres.; C. D. Grayson, sec.
	1954	507,396	227,216	18,568	361,712	50	18,086	†2.58	2.50	87,116	40,000	
†Based on number of shares as calculated from dividends paid.												
TORONTO MORTGAGE	1955	4,199,261	3,334,082	1,757,588	986,500	50	99,577	5.05	5.00	255,173	1,200,000	G. B. Strathy, chm.; G. D. Kirkpatrick, pres.; G. Y. Ormsby, vice-pres.; G. J. Pettit, mgr. & sec.; O. G. Burton, treas.
	1954	4,183,394	3,448,300	1,745,315	986,500	50	90,055	4.56	5.25	251,579	1,200,000	
WESTERN HOMES	1955	1,104,241	1,001,936	205,330	678,525	35	33,256	1.71	1.05	20,386	200,000	M. Willis Argue, pres.; W. Harvey Argue, vice-pres.; R. C. Duncan, sec.
	1954	1,014,275	951,449	155,340	678,450	35	30,647	1.58	1.05	207,484	.....	
YARMOUTH BUILDING & LOAN SOC.	1955	794,534	782,259	520,736	171,709	100	16,105	9.38	8.00	26,089	76,000	M. S. Clarke, pres.; W. D. Piercey, vice-pres.; D. G. Grant, man. dir.; H. F. Slade, sec.-treas.
	1954	753,287	727,448	481,895	171,672	100	15,830	9.22	8.00	23,720	76,000	
▲Includes dividends payable.												

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They Train Tycoons in High School

Tomorrow's Executives Get Start In Junior Achievement

VANCOUVER — A firm operated by teen-agers pays a 24% dividend.

Another firm, also run by Sonny and Sis, buys up junked brass telephones, manufactures them into lamps, sells them at $4.50 apiece.

That's junior achievement through Junior Achievement Inc. And it means more than pocket money for the youngsters; it means executives for tomorrow.

"One day we business heads who are sliding into oblivion must be replaced.

"You youngsters with the knowledge and experience gained through your junior companies will lead the way in the future development of this province," said a prominent B. C. executive recently.

His audience consisted of 340 Vancouver high school students, between 15 and 21, all graduate junior businessmen from the first Junior Achievement Inc. scheme in Canada.

The speaker was Roy Jones, vice-president of Powell River Co., at the graduation banquet. His words were not idle ones; he meant them.

He has been one of the top-level Vancouver executives who had been in on the founding of Junior Achievement of B. C. in Oct., 1955. He and his associates had seen the students, under their guidance and that of a paid director from New York, form, conduct and then liquidate their own businesses with all the coolness and confidence of seasoned businessmen.

Junior Achievement is a new thing in Canada, but one that will grow once Canadian businessmen in other cities realize the value of it to the youth of today.

"We hope to see the idea taken up next year in many other Canadian cities," said Larry Goetz, the 31-year-old paid director. "Vancouver was the proving ground. We've proved it can work as well here as in the States.

Branching Out

"I can only say that the success of JA here was sensational. The enthusiasm of student and businessman alike was unparalleled. Next year, we plan to branch out, taking in other B. C. cities."

What is Junior Achievement, and what does it achieve?

Simply, it is a business youth-training scheme. It reaches at the fundamentals of the conduct of business. It counters the line of thought that says private production for private profit is exploitation and therefore antisocial.

To students, both boys and girls, who are planning a career in business, it is a chance to play realistically at business.

The educational and counter-propaganda features of JA account for the strong backing of businessmen.

In Vancouver, JA cost a group of 20 businesses about $24,000 during the past year. The money was used for administration, the director's salary, plus the 1,000-and-one small expenses.

The businessmen figure the money well spent. They are willing to shell out this much, and more, next year when the second JA scheme gets rolling.

Besides money, the big Vancouver firms also conscript their top senior and junior executives to advise the young businessmen in their problems.

Conscript is a word used inadvisably toward the end of the JA business year, because by that time the advisors are fully sold on the plan and are more than happy to give up some of their spare time at night to see that the company they are attached to is a success.

JA companies are born in October and are buried in May.

Twenty-two companies were formed this year under the charter granted Junior Achievement by the B. C. Government. Each company is composed of between 15 and 20 high-school students. Each student is chosen because he has shown a strong interest in business and commerce.

Lowest Dividends 2%

When the companies were liquidated on May 1, 17 had shown good profits and paid dividends on shares sold by the members. The lowest of the dividend-paying companies paid 2%; the highest a phenomenal 24%.

The latter manufactured a rotary type of work bench utensil for the handyman to separate his nails, screws and bolts.

Only five firms failed to pay a dividend, but each of these was able to pay back its shareholders.

Junior Achievement is not a thing the students take lightly, it is the dominant thing in their life, outside of family and school, once they get into it.

It takes two nights of their time a week.

The students were taken from Vancouver's high schools. After Director Goetz made his speeches, about 500 students applied to join. This shook down to about 400 starters. Some later dropped out, because of other pressures, until there was the final 340.

They were separated into companies which were to turn out simple, but time-tested products which had proved sellers in the American sphere where JA first operated.

JA works on the theory that the simpler the product produced the better. This, JA directors consider, is the best field for demonstrating the methods and principles most common in business. Complicated products were avoided. Problems of productions and also of a small product are sufficient challenge.

JA has a factory in Vancouver; a leased former department store warehouse which has been divided into a number of large cubicles. In these rooms, each company turns out its product. They use expensive equipment like power saws, sanders, planers which are purchased by the JA administration and paid for out of the profits of the companies.

All the wood, metal, glue, paint, etc., needed to manufacture the products are bought by the companies.

Each company is capitalized at about $100. Each member must have at least one share. The rest of the 50 shares are sold by the members to parents, relatives and friends.

The products may be lamps made from old brass telephones bought as junk, disposable bath mats made from a blotter-like chemical pulp, mitre boxes, candle holders, ash trays, toys, car wash, house numbers and many other articles.

The students do their own initial planning, make consumer surveys, chart sales, and do the bookkeeping. Then they personally sell the products, from door to door or to retail stores.

Of course, each company has its businessman advisors. If a company gets too ambitious, they'll advise a slowdown until sales catch up with production; and vice versa. They are shown how to organize and plan, just as if the company was grossing a million dollars a year instead of the $600 that is about average for each.

In May, just before the students start cramming for final exams, the companies are liquidated. Debts are liquidated and each share is redeemed and dividends paid.

Two Vancouver JA companies won industry awards and honorable mention in competition with 2,500 JA companies in the U. S.

Profit making isn't the principal aim; experience gained is considered the prime objective. When the boys and girls wind up their businesses and make the final report to the shareholders, none has made a great deal of money, but each is much wiser in the ways of business.

Each student is paid 10c an hour for his services to his firm.

"It isn't the money we earn that counts," said one 17-year-old company president. "We don't even consider it. It is the experience that we are looking for. And believe, we've learned so much that our school texts can't even begin to teach us."

The businessmen who guide the youngsters are enthusiastic also. On the roster are some of the biggest names in B. C. business and industry.

They have their eyes on many of the student-businessmen as possible future junior employees.

At the wind-up banquet, one of the counselors told the students, "The sky is absolutely the limit; B. C. wealth is there for the taking. What we need is ideas, initiative and perserverence which you will be able to provide."

JA of Vancouver showed in its first year of operation that its members are able to come up with ideas, initiative and perseverence.

The parent organization in the U. S. hopes the idea will take hold in other Canadian cities.

Any group of Canadian businessmen can get the ball rolling by writing to the Expansion Division of Junior Achievement Inc., 345 Madison Avenue, New York 17, N.Y.

THESE TEENERS, aided by a business executive adviser, buy up junked brass telephones, convert them into lamps. They sell like hotcakes—at $4.50 each. This Junior Achievement firm declared a fat dividend this year.

Quinte Milk Offer Rights

Shareholders of Quinte Milk Products have cleared the way for an offering of rights to buy additional class A shares at $8 a share on a one-for-five basis.

The company plans to offer these shares to class A and common stockholders. If all are taken up, 8,325 shares would be issued. The $66,000 raised would be used for modernization of plants.

Special meetings redesignated the old A shares into participating class A non-voting and the B shares into common. Authorized A shares were increased by 18,000 to 50,000 and common shares were increased to 10,000 from 9,625 authorized and outstanding. There are 32,000 A shares outstanding.

In addition the meetings approved elimination of voting rights from the old A stock because of changes in the Ontario Companies Act and in order to permit an offering of additional stock to shareholders, A. L. A. Richardson, president, said.

Until the change, the A had the right to elect two directors if dividends were unpaid for two years. Dividends have been paid regularly. Class A shares are entitled to non-cumulative preferred dividends up to 60c-a year before any dividends can be paid on the common and afterward share equally with the common in any dividends.

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The new screen has won the praise of both audiences and owners. Little wonder the latter like it: one operator found his receipts increased by $40,000 in two months after he replaced his conventional screen with the highly reflective, weather-proof aluminum job.

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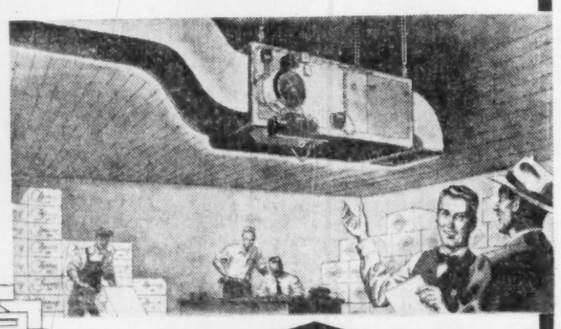

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Bell Will Offer $63 Mill. Rights

Bell Telephone Co. of Canada will offer shareholders 1,725,000 shares, $25 par, at $37 each on basis of one additional share for every eight held. Offer has been approved by the Board of Transport Commissioners.

Company will derive $63.4 million if all shares are taken up. Estimated expenditures for 1956 are $141.1 million and $163.5 million for 1957. Capital expenditures for 1955 amounted to $128.4 million.

Authorized capital stock is 20 million shares, $25 par, of which 13,674,686 are outstanding.

Bids for purchase of 749,992 shares are being invited by Royal Trust Co., Montreal, on or about June 6, on behalf of American Telephone & Telegraph Co., New York. The U. S. parent firm would be entitled to receive these rights as a Bell shareholder, but cannot because offer is not registered with the U. S. Securities & Exchange Commission.

Electronic components a problem?

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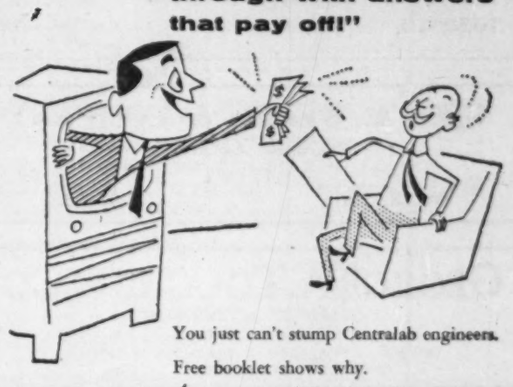

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Canadian Film Arts Win Recognition

Film Awards Throw Spotlight On Year's Best Productions

By DORIS FRENCH

Walter Herbert, Ottawa director of the Canada Foundation and irrepressible promoter of cultural happenings across the nation, is taking considerable satisfaction in the debut this summer of one of his favorite nurslings, an eight-year-old institution known as Canadian Film Awards.

The event will take place under the floodlights of Stratford, and it will be a debut in the sense that many Canadians will discover with honest surprise that our top films merit a place, as entertainment fare, alongside the Shakespearean players and the concert series inaugurated last year at the expanding Stratford festival.

That at least is the opinion of Tom Patterson, organizer of Stratford. He backed it up with an invitation last fall to Walter Herbert, chairman of the Film Awards Committee, to make Stratford the 1956 location of the annual presentations to Canadian film makers — the Canadian counterpart of Hollywood "Oscar" winners.

Stratford will provide a larger stage for the glamour job that Canadian Film Awards has been doing for the past eight years.

Mary Pickford has appeared on an Ottawa platform to present Canadian Film Awards; Dorothy Lamour posed with an armload of roses on a stage in Montreal when Fridolin received his Canadian Film Award for Ti-Coq; Clyde Gilmour has on at least one occasion switched his ten-minute "Critically Speaking" broadcast from current foreign offerings to an appraisal of Canadian Film Award winners; and a long string of theatre critics, news commentators and photographers are called in each year to witness the presentations.

But the job has been a tough one. Only a scattered handful of Canadian film makers have tried their hand at full-length moving-picture dramas. With the exception of a few French language movies in Quebec which actually made money for their producers, early Canadian attempts were spectacular flops. And until we see the name spelled out under the neon glare of downtown movie palaces, the majority of Canadians are frankly sceptical about the importance and entertainment-value of a film—especially if the film calls itself a "documentary," in itself a dull bit of nomenclature.

A Basic Handicap

Not all Canadian films are 16 mm., but most by far are. And to a lot of people 16 mm. recalls the painful experience of a hard wooden chair in a dark church hall, a noisy, capricious projector, and a dim, jittery, embarrassingly bad 15 minutes of movie boredom.

Too many Canadian-made films were like that, ten years back. And the reason for sticking largely to 16 mm. was simply that it's cheaper. It is possible, with the single system shooting method now used (sound and picture recorded in one operation) to produce a 30-minute 16 mm. film at a cost almost exactly one third that of a 35 mm. production. Canadian film production has suffered from lack of capital.

But some remarkable picture-making has been going on. In the past 10 or 12 years the talented and articulate staff of the National Film Board and the small but vigorous group of independent producers such as Crawley's of Ottawa, Associated Screen News of Montreal and Shelly of Toronto, have brought the short film, the documentary, to a standard which has shown up very well indeed whenever films compete internationally.

For sheer originality, Norman McLaren can't be outdone anywhere around the globe—the Cannes International Film Festival in 1955 handed top honors in the short film class to the National Film Board's inspired doodler for his "Blinkity Blank." Crawley Films Ltd. has repeatedly won top honors with United States judges in the educational film class. Even one of our government-sponsored agricultural pieces, a little thing called "Milk Made," was picked out as best film of the show at an international festival in Brescia, Italy, not long ago.

What is more important, the bulk of our Canadian 16-mm. films now have a professional smoothness and dexterity of presentation—and mothers and fathers at the local Home and School needn't sidle toward the door when the president says, "Tonight we plan to show one or two films . . ."

Get Wider Showing

Any apologetic attitude has become old-fashioned, in assessing the mushrooming proportions of the 16-mm. film industry in this country. There are literally thousands of groups, clubs and organizations which show films to their members: it is estimated that annual attendance figures for showings in halls and homes are larger than the total Canadian population. Crawleys of Ottawa, in a published Directory of 16 mm. Sponsored Films, claim that upward of 700 motion pictures and film strips are produced annually in Canada. A lot of them come from industry, either in the form of technical or personnel problem pieces for internal use, or as discreetly labeled artistic productions, an increasingly popular medium of advertising and public relations.

You can get films made for universities, provincial travel bureaus, or insurance companies, for Sheaffer Pen, McGavin Bakeries or Mall Tools. If you want a film on sport or wild life you can get in touch with one of our major breweries. (Gooderham & Worts Ltd. have one on "The Vienna Art Treasures.") Most of these are well-made, thoroughly entertaining movies, well worth anyone's time and money.

Channeling the films is a large network of voluntary Film Councils—428 of them, and there is an even greater number of provincial and community film libraries and depots.

On top of the attendance figures of film-watching groups in schools, clubs, farm, labor and church organizations, there must now be added a new, and bigger audience. TV viewers watch 16-mm. films. And Canadian film makers have swung into the TV field, a natural extension of the short film business they have been learning to do so well. Half of the National Film Board's 1955 output of 235 films were television productions. Four series programs, mostly half-hour shows, were supplied to TV stations—"On the Spot" and "Sur le Vif," "Window on Canada" and "Regards sur le Canada."

Feature Films To Come

What of the feature-length 35-mm. film? Surely it can't be much longer in coming. There is Tyrone Guthrie's "Oedipus Rex," now completed and soon to be on public view. With the skill and artistic ability of the film makers so ably demonstrated, and with a growing body of Canadian actors and actresses who have proved themselves on the stage and on TV, other full-length films for the movie theatre are sure to follow.

The chief agent to date in stirring up public awareness in their home product has been Canadian Film Awards.

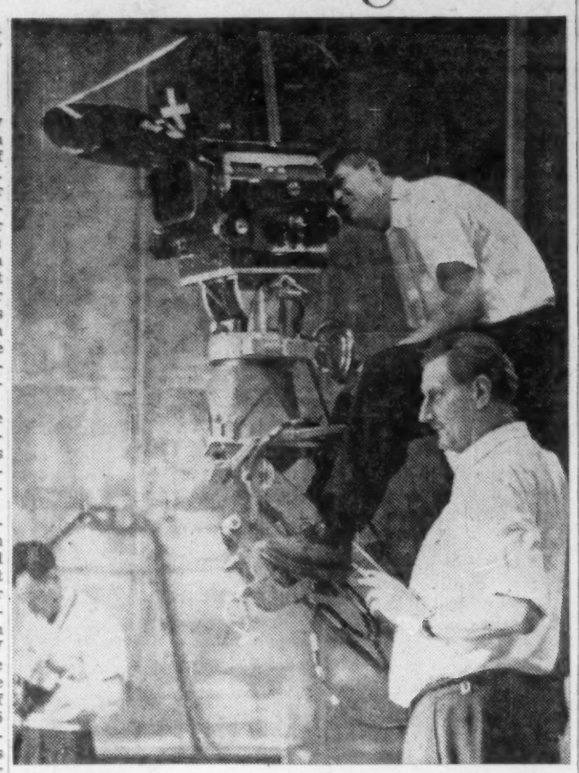
The stated objective of the Awards committee is: "to encourage high standards of film making in Canada; to direct public attention to films which are made in Canada; to provide public recognition for the achievements of Canadian film makers; to encourage wider use of film by corporations, governments and other organizations."

The extent to which they have succeeded is acknowledged readily by Graeme Fraser, big cherubic president of the Motion Picture Producers Association, who says he speaks for most Canadian independent producers when he insists that "Film Awards have stimulated quality films — perhaps as much as any other factor. It is the one place where you get an annual chance to judge your own work along with that of your competitors and the government film makers."

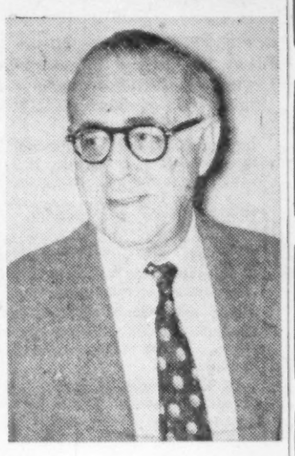
Mr. Fraser is also vice-president of Crawley Films Ltd., an Ottawa company which has produced 16 award-winning films, including two "Films of the Year." They feel the publicity value has been worth a lot — "The Loon's Necklace," for example, picked up real prestige in winning the top award of its year, and is one of the few Canadian film titles that most film fans remember. Mr. Fraser says humbly, "We feel tremendously grateful to CFA."

Another Canadian in the film-making business explains that the Awards have been important in persuading sponsors — in government or industry — that it's worthwhile to turn out a good movie to get their point across. Editing problems, in coping with the sponsor's natural desire to cram in all the facts about his product or his tourist scenery, can be handled more smoothly once it has been demonstrated that a few dramatic ideas, presented with real film artistry, are the kind of thing that wins awards and makes people remember what they have seen. The result is a much freer rein to the producer, and a steadily rising standard of general film production.

The idea for Canadian Film Awards was hatched by the Canadian Association for Adult Education — more specifically, by the CAAE director, Dr. J. Roby Kidd—and it was one of several proposals tossed at a big gathering of 44 national organizations in Toronto in the summer of 1948. (A parallel project was to be called Canadian Radio Awards—but that one withered and died.) Later that year the CAAE's new film committee, including Walter Herbert of the Canada Foundation, Graham McInnes, then with National Film Board, Donald Buchanan of the National Gallery and several others, met to draw up competition rules and procedure, while an Advisory Board representing the film industry drafted the general pattern of contest standards. Twenty-nine entries were handed in from 12 different competitors, far exceeding the committee's greatest hopes. That year "The Loon's Necklace" was easily "Film of the Year," but special awards were made to Norman McLaren for his experimental "Dots and Loops" and to Robert Anderson for psychological studies "Feeling of hostility" and "Drug Addict."



FAST-GROWING Canadian film industry is taking its most ambitious step to date. Shakespeare has become saleable and now final plans have been laid to film the entire first folio of the Bard's plays. Shooting will be done in Toronto, in color. Famed British director Tyrone Guthrie, who led the Stratford company to its recent triumphs, will direct shooting of the 38 plays over a number of years. Guthrie, above, recently completed filming of Oedipus Rex, another Stratford success, at the same studio. Initiative and financing comes from Russian-born producer Leonid Kipnis, right. Kipnis-Guthrie plan two productions per year initially, one comedy and one tragedy. Output will be upped to three per year eventually.



McLaren and Anderson were both with the National Film Board.

These award winners quickly picked up further glory. "The Loon's Necklace" attracted Imperial Oil of Canada, who distributed it wholesale to Canadian classrooms as a restrained and effective piece of public relations. Norman McLaren immediately delved into even more original techniques for his later and more famous animated films. And "Drug Addict" received some rather puzzling notoriety when H. J. Anslinger, commissioner of narcotics, Bureau of Narcotics, U. S. Treasury Department, caused it to be banned in the United States, and it became the centre of indignant controversy in New York City.

The second year there were 43 entries competing for Canadian Film Awards, including one feature-length theatrical production, "Le Curé du Village," and although the general quality of the year's batch was something less than spectacular there was again a Norman McLaren production "Begone Dull Care" to highlight the screening which took place at an April presentation ceremony in Ottawa's Little Elgin Theatre. Prime Minister St. Laurent made the presentations in a jovial and slightly facetious mood, since most of the awards were being accepted by his own National Film Board men who swept the field that year. (Later, as he paused at the back of the theatre on his way out, Mr. St. Laurent was "shushed" for his very audible appreciation of "Begone Dull Care" — to the great embarrassment of Film Award officials. Laughing and talking to Mrs. St. Laurent, the Prime Minister wasn't recognized by other film viewers, and he was asked very plainly, in both English and French, to "keep quiet," and "leave the theatre.")

The 1950 event was done with increased fanfare, with Mary Pickford on hand for the occasion.

She made a special presentation to Canada's pioneer in the movie theatre business, Ernest Ouimet of Montreal, who produced the first Canadian newsreels and operated the first de-luxe picture theatre in North America which he opened in Montreal in 1906.

Two other sponsoring organizations moved in to work jointly with the Canadian Association for Adult Education in the Award competitions of the next five years. The Canada Foundation, whose director had been a member of the original committee, and the Canadian Film Institute, took a share in the planning and the desk work from 1951 onward. Walter Herbert became chairman of the management committee, a job he kept until this year, when he took on the chairmanship of a finance committee.

Canadian Film Awards, after eight years as a sort of charity ward of sponsoring organizations, has reached the point where a more permanent secretarial basis is required. Mr. Herbert is out to raise a modest annual budget of $3,000, which he thinks will ensure the future of the Awards. He will get it largely from industrial subscribers, with possible contributions from provincial governments (Ontario and Saskatchewan are already listed among regular supporters).

The pattern of judging and presentation set up by Canadian Film Awards was unique — in a deliberate effort to avoid duplication of the American Academy Awards. Canadian Film Awards draws on outside judges, competent to know a good film when they see one, but representative of the "consumer" section. A surprising number of busy and highly respected citizens have taken on the somewhat onerous task of judging. Typical of their approach is an excerpt from the submission of three judges in the 1954 competition, when they chose "The Seasons" as "Film of the Year":

"Each aspect and each phase of each film is studied carefully. In addition to the ordinary qualities we seek the unusual; we look for novelty; we search for perfection; we hope for a spark of genius. But, of course, films which possess these multiple qualities are exceedingly rare. We must decide why one film is better or worse than the one which preceded it; and every film must be considered in relation to every other film in the competition. As we go along with our screening we have many guideposts and check points: objective, direction, production, photography, story, sound, narration, color, lighting, editing, cutting, montage and all the rest."

Of "The Seasons," an exquisite film entirely produced by a talented amateur named Chris Chapman, these judges concluded, "This is a film which measures up to our strict requirements and which is worthy of being exhibited throughout the world as an excellent example of Canadian film making." The three chairmen of the adjudication panels on that occasion were A. E. Smith of Bell Telephone Co., Montreal; Ferdinand Biondi of Station CKAC, Montreal; and Watson Balharrie of the architectural firm, Abra & Balharrie, Ottawa.

To lend technical understanding to the task, the judging panels have always included several people variously associated with films, but not directly involved in production such as O. J. Silverthorn, the chief censor of Ontario; Mrs. Yvonne Taylor, theatre manager; James A. Cowan, public relations director for J. Arthur Rank; Herbert Whittaker, drama and film critic of the Globe and Mail, and Mrs. Dorothy Burritt, active in Film Council work.

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Selected Growth Stocks — Quarterly Review — By NESTOR

The Financial Post's exclusive series of Selected Growth Stocks was chosen by one of the continent's most prominent and successful investment advisers. The reasons for choice shown below the accompanying charts were those given when stocks were chosen in January 1953. Each will be reviewed quarterly. Publication of this series in The Post does not constitute a recommendation to buy these stocks.

CPR

Canadian Pacific Railways, trading at recent $31¾ is 87% above UV level ($17) and could rise another 80% before reaching OV level ($57). Price is 10.8 times 1955 earnings of $2.95 a share and yield is 4.72% on basis of an indicated $1.50 annual dividend. Price range this year is a high of $36⅝ and a low of $31.

Company applying for higher freight rates to offset new labor cost rise as a result of new contract with non-operating employees. In first four months of year, company had increase in net operating income of $463,811 from same period last year but net railway income was down $342,351 in April, compared with April 1955.

Company has embarked on major expansion program that will involve $1.5 billion over 15 years. Included is a study of the extent and nature of probable Canadian growth in this period and to ascertain what transportation facilities will be necessary.

Expansion will include $600 million for railway plant, complete dieselization by 1961 involving some $125 million, possible construction of a third new passenger ship, $60 million for communciations services and $60 million for the airline subsidiary.

Net profit in 1955 was $44,032,465, equal to $2.95 a share, up 48% from $29,826,248 in 1954.

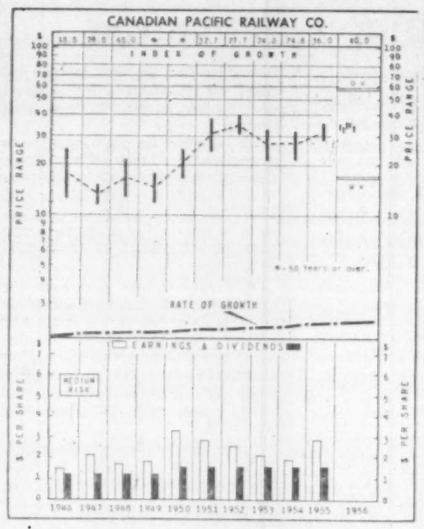
C. Smelters

Consolidated Mining & Smelting, trading at recent $32½ is 48% above its UV level ($22) and could climb another 48% before touching OV level ($48). Price is 16.2 times 1955 earnings of $2.01 a share and yield is 5.38% based on $1.75 dividends in 1955. Price range so far this year is a high of $38 and a low of $31¼.

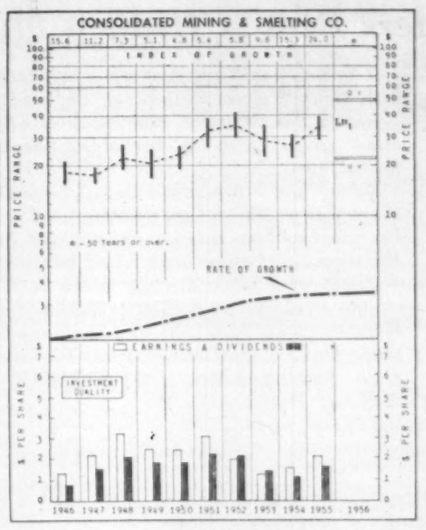
First-quarter earnings reported lower than in the same period of last year due mainly to liquidation of inventories of finished products. Also selling prices of fertilizers were lower. These factors partially offset by increases in prices for metals.

Competition in fertilizer continuing keener than 1955. A small addition to research laboratories should be completed in six to eight months and other expansions and additions are being considered.

In 1954, althought metal sales exceeded output on North American continent, supplies of lead and zinc available were above industrial consumption and the excess was absorbed by the U. S. Government. The two metals are being challenged for markets by newer metals and synthetic chemical materials. Competition of these newer products will increase as production increases.



CANADIAN PACIFIC RAILWAY — Occupying a basic position in the Canadian economy through its wide transportation coverage, its 51% interest in Consolidated Smelters (base metals), and its potential in large acreage holdings in Western Canada on which petroleum rights are held, Canadian Pacific appears an excellent medium for participating in the country's future economic growth.



CONSOLIDATED MINING & SMELTING — Through opening of new properties, modernizing and expanding of its smelter plant, and expansion of its fertilizer facilities, Consolidated Mining and Smelting, the world's largest low-cost lead-zinc producer, is expected to share fully in the growing demand for its products.

How To Read Stock Charts

INDEX OF GROWTH: The rate at which the value of the equity behind the stock is doubling as determined by the growth rate at which it entered the year. A figure of 5.6 for the present year would indicate that at its current growth rate the equity value is doubling every 5.6 years.

PRICE RANGE: The annual high, low and mean price. Monthly ranges for the current year.

UNDERVALUATION AND OVERVALUATION PRICE LEVELS: Shown by the narrow horizontal lines above and below the stock's price range indicating price at which the particular stock is adjudged as underestimating or overestimating its future rate of growth. A stock showing a fast-growth rate will sometimes anticipate growth by two or three years. In this case it may not be so attractive a purchase relatively as some other fast-growing stock that is not anticipating its growth beyond the immediate present. Other factors such as rate of growth and investment quality will also enter into the comparison an investor will want to make.

Without these UV and OV levels, a current quotation of say, 55 or 75 would carry no significance regarding long-range value. The UV/OV levels also permit judgment as between one stock and another. They are not designated points of purchase or sale nor do they attempt to show what will be a stock's bottom or top figure in any given year.

RATE OF GROWTH: the rate as based on Nestor's tests at which the company is showing underlying or long-term growth. This will determine the price trend of the company's common stock over a period of years and in most instances the trend of dividend payments.

**Background and principles behind the selection by Nestor were discussed in a special article in The Financial Post., Jan. 10, 1953. A limited number of reprints are available on request.*

Company Reports

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

Food

ATLANTIC WHOLESALERS LTD., Sackville, N.B., consolidated net profit for the year ended March 31, 1956 was 1.2% lower than for previous year ($228,244 against $230,955).

Sales were again at record levels and net profits were only slightly lower, despite keen competition on both wholesale and retail level which affected gross margins, reports President E. A. Dixon.

Atlantic created an $850,000 issue of Series B bonds.

Company organized subsidiaries which took trade names and working assets of Hawkins Fruit & Produce Co. at Fredericton, with branches at Campbellton and Edmundston and also Hill Bros. Ltd. at Newcastle. Unexpected difficulties at both companies resulted in unprofitable operations for portion of year in which they operated.

At fiscal year end Atlantic was in process of acquiring St. George Food Shops Ltd., which operates two large retail units in Moncton.

CONS. INCOME ACCOUNT

Years Ended:	Mar. 31 1956	Apr. 2 1955
Gross profit	$2,018,906	$1,954,875
Net earnings	561,984	536,931
Less: Deprec.	105,404	88,338
Bd. int. & amort.	40,607	26,427
Est. taxes	187,729	191,211
Net profit	228,244	230,955
Less: Pref. divds.	23,129	24,750
Cl. A divds.	58,250	45,000
Cl. B divds.	5,625	4,500
Surplus for year	143,240	156,765
Times Int. & Amort. Earned:		
Before deprec.	13.84	20.32
After deprec.	11.24	16.97
Earnings per Share and Dividend Record:		
Preferred	$11.07	$10.26
Paid	1.10	1.10
Cl. A & B	2.49	2.50
Paid	0.55+0.20+stk.*	0.40+0.20

*$1.00 per sh.

CONDENSED CONS. BALANCE SHEET

As at:	Mar. 31 1956	Apr. 2 1955
Cash	$367,996	$232,742
Accts., rec. less res.	1,006,583	971,799
Due from subsid.	487,151	123,196
Mkt. sec.‡	15,893	16,813
Inventories	1,719,575	1,494,245
Total curr. assets	3,597,198	2,838,795
Prep. exp.§	51,644	33,176
Misc. assets	99,270	32,634
Inv. in subsid. (at cost)	499,035	495,275
Fixed assets*	761,802	559,777
Total assets	5,008,949	3,959,657
Bank loans, etc.	720,000	680,000
Accr. bd. int.	29,555	
Accts. pay., etc.	1,240,062	1,032,879
Total curr. liabs.	1,989,617	1,712,879
Inventory res.	4	100,000
Funded debt	1,341,683	571,153
Capital stock	825,030	862,750
Earned surplus†	852,619	712,875
*After depr. of	562,811	492,943

‡Included in curr. assets in co's report.
§Transferred to earned surplus.
†After deducting $182,818 distribution of accumulated surplus earned prior to Jan. 1, 1940, of subsidiary company.
‖Including $12,000 in 1956, $14,500 in 1955 par value of the company's bonds.
Working capital 1,607,581 1,125,916
Contingent liabilities—Endorsements and guarantees amounted to $213,849 as at Mar. 31, 1956.

Manufacturing

SWITSON INDUSTRIES LTD., Welland, Ont., net profit for the year ended Jan. 31, 1956 soared 76% ahead of previous year ($409,223 vs $232,488).

Profits, sales, number of employees, total wages and salaries, and hourly earnings of employees all set new records. Company did not increase prices of products despite somewhat higher costs of goods and services purchased. This reflects economies resulting from full use of facilities, reports President Harold G. Fox.

Sales of stencil cleaners and polishers of company design and those sold under Switson and Regina trademarks were highest in company history. There appears no reason why these sales should not remain at same level this year. Company says sales of its own designed products are more in line with total business including contract sales, and company rests on a broader base of operation.

Sales to aircraft industry continue at a satisfactory level and contracts on hand should extend well into third quarter.

Gas heating division, which went through formative stages in previous year, is showing considerable progress. Company has negotiated with a large Canadian distributor of heating equipment for a line of stencil furnaces and hot water heaters. Switon has sufficient order backlog to operate gas heating close to capacity well into late fall. Company is operating retail organizations in Welland, Niagara Falls and Toronto, Ont., and plans to expand these operations as natural gas supply becomes available in wider area.

INCOME ACCOUNT

Years Ended Jan. 31:	1956	1955
Net earnings	$789,354	$472,872
Less: Deprec.	30,094	24,727
Taxes	350,037	215,657
Net profit	409,223	232,488
Less: Pref. divds.	1,500	6,080
Common divds.	123,000	108,000
Surplus	284,723	118,488
Earnings per Share and Dividend Record:†		
Preferred	4	$193.74
Paid	$1.25	5.00
Common	0.68	0.33
Paid	0.20½	0.18

†Based on capital stock outstanding at year end after allowing full year's pref. divds.
4Redeemed in March, 1955.

CONDENSED BALANCE SHEET

As at Jan. 31:	1956	1955
Cash	$4,967	$3,222
Accts. rec.	448,655	253,536
Invent.	1,177,086	707,853
Total curr. assets	1,630,708	964,613
Prep. exps.§	7,126	6,462
Deferred chgs.	1,234	2,427
Fixed assets*	327,785	269,211
Total assets	1,966,853	1,242,714
Bank loan & o'draft	414,175	116,695
Accts., etc., pay.	289,274	162,282
Taxes payable	266,243	131,298
Total curr. liabs.	969,692	410,275
Capital stock	12,000	132,000
Earned surplus	985,161	700,439
*After deprec. of	323,066	292,841

‡Included in curr. assets in co's report.
Working capital 661,016 554,338

Textiles

LONDON HOSIERY MILLS LTD., London, Ont., net profit for the year ended March 31, 1955 was 79.1% higher than for previous year ($55,183 against $30,810).

Mill operated at near capacity and company has not relaxed its efforts to introduce improved methods and new products, says President J. A. McKeeman.

London sold its share in Borg Fabrics Ltd. Investment did not produce return expected and London availed of opportunity to take a $31,000 profit on it. London resumed payment of regular dividends on class A stock.

Company says that prospects for future earnings appear good and it assumes earnings will be more than sufficient to meet class A dividend requirements.

INCOME ACCOUNT

Years Ended Mar. 31:	1956	1955
Net earnings	$139,108	$84,181
Less: Deprec.	19,885	22,071
Inc. taxes	51,100	31,300
Net profit	55,183	30,810
Less: C. A divds.	54,000	18,000
Surplus for year	1,183	12,810

Note — Co.'s report in 1956 shows net profit of $86,183 including profit on sale of investments.

Earnings per Share and Dividend Record:		
Class A	$1.23	$0.68
Paid	0.80+0.40*	0.40
Common	0.24	d0.07
None paid.		
*On arrears.		

CONDENSED BALANCE SHEET

As at Mar. 31:	1956	1955
Cash & Dom. bds.	$230,645	$115,916
Accts., etc., rec.	181,016	130,347
Life ins. c.s.v.	10,776	9,125
Inventories	279,144	306,102
Total curr. assets	701,581	555,550
Prep. exp.§	12,040	9,761
Invests.	36,000	136,735
Fixed assets*	104,994	119,230
Total assets	854,615	821,296
Accts., tax., etc., p.	63,423	68,601
Divd. pay.	18,000	9,000
Total curr. liabs.	81,423	77,601
Capital stock	125,000	125,000
Earned surplus	648,192	618,695
*After depr. of	404,228	407,872

‡Incl. in curr. assets in co.'s report.
Working capital 620,158 477,949

Bank Staff Changes

Montreal:

D. B. CRAN, accountant, Homer & Hastings Sts., Vancouver, B.C., to be manager, Port Coquitlam, B.C.

J. C. C. GRABER, assistant to the supt., A.G.M.'s dept., Toronto, to be manager, staff dept., Ontario division.

C. K. GIBSON, A.G.M.'s dept., Toronto, to be assistant manager, staff dept., Ontario division.

E. G. J. ETHERINGTON, secretary to the supt., A.G.M.'s dept., Toronto, to be manager, bank premises dept., Ontario division.

J. R. DANIS, accountant, Cote des Neiges & Queen Mary Rds., Montreal, to be instructor, staff training school, head office.

R. W. HALE, accountant, Moncton, N.B., to be assistant manager, Moncton.

A. J. MacDONALD, assistant manager, Regina, to be manager East Side, Regina.

M. G. R. WINGERT, accountant, Yorkton, Sask., to be assistant manager, Regina.

T. W. POUND, assistant manager, Winnipeg, Man., to be assistant supt., Western division, with headquarters in head office.

V. G. MACREADY, asst. supt., Manitoba & Saskatchewan district, with headquarters in Winnipeg, to be asst. manager, Winnipeg.

C. L. WITTMAN, manager, Wainwright, Alta., to be asst. supt., Manitoba & Saskatchewan district, with headquarters in Winnipeg.

E. R. HOGG, inspector, head office, to be assistant manager, Montreal.

R. W. JONES, asst. manager, Front & Yonge Sts., Toronto, to be manager, University Ave. & College St., Toronto.

E. L. McGLENING, accountant, Weston, Ont., to be assistant manager, Front & Yonge Sts., Toronto.

J. G. BALLOCH, accountant, Charlottetown, P.E.I., to be manager, Spryfield, N.S.

S. T. STRATHY, manager, University Ave. & College St., Toronto, to be asst. supt., head office.

D. W. IVERACH, asst. manager, Lethbridge, Alta., to be manager, Wainwright, Alta.

W. N. ROBINSON, 1st asst. accountant, Edmonton, Alta., to be asst. manager, Lethbridge, Alta.

J. G. BALLOCH, manager, new branch opened at Spryfield, N.S.

S. G. BARTON, manager, new branch opened at Port Colborne.

C. S. W. HANSEN, manager, new Broadway & Willow St. branch, Vancouver.

Other new branches have been opened recently at: Arva, Ont., to be sub-agency of Market Square Branch, London; Viewmont Ave., Royal Oak, B.C., to be operated as a sub-agency to Saanich branch in Victoria.

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There's Worse Than Bears Up North

How Builders Beat A Hidden Menace—Permafrost

The multi-million flow of construction dollars into Canada's northland for defense and other projects has brought construction engineers to close grips with a menacing enemy called permafrost.

Firms like Foundation Co. of Canada and Northern Construction Co., working on the Dew Line, have had to beat this icy danger that lurks under the surface of about a third of our land area.

Study of it has a priority place in the program of the Division of Building Research in Ottawa. Here's a digest of results of a comprehensive study made by J. A. Pihlainen of the Division's Permafrost Section which was published as Better Building Bulletin No. 5.

The thickness of permafrost varies considerably. It can be as deep as 1,000 ft. at Resolute Bay in the Arctic or as shallow as 5 ft. at Hay River, N.W.T. In the permafrost areas, some surface thawing does take place, depending on the locality and the insulating effect of the moss cover. But, in general, the ground remains frozen throughout the year.

The materials in this perennially frozen state vary. They include bed-rock, gravel, sand, silt, clay and muskeg.

Construction difficulties in permafrost areas arise mainly if the perennially frozen ground is allowed to thaw. The ice in a frozen soil acts like a cement, binding the individual particles. And in permafrost, the volume of ice may be six times that of soil.

The result is a soil with considerable, often rock-like strength. But, since the cementing agent is ice, thawing can change it into a soft, liquid-like slurry with no supporting power.

Watch The Shadow

Permafrost is very sensitive to temperature differences. Even the shadow of a building may be sufficient to reduce the temperature enough to bring the permafrost closer to the surface at the northern side. Clearing of trees, brush and moss starts a thawing of permafrost at a building site.

Heat losses from the building can contribute further to the thaw.

If the permafrost melts below the foundations of buildings, large settlements and at times complete building failures occur.

The ground in permafrost areas usually separates itself into two divisions: an upper layer which alternately thaws and freezes with the seasons (called the active layer) and a lower layer which remains frozen all the time (permafrost).

Frequently, seasonal frost is mistakenly called permafrost. In regions where the summer's thaw of ground is restricted to a few inches because of a heavy insulating moss cover, the only positive method of determining this is to carry out investigations in the fall when the summer thaw is deepest.

The depth of permafrost is very important in the design and construction of a building. These are two practical field methods for establishing the depth:

Rodding — A ¼ in. or ½ in. sharpened steel rod is driven with a sledge hammer as far into the ground as it will comfortably go. If, using a wrench, the rod turns freely, it has probably been stopped by a rock. But, if a back spring is felt, it may be assumed that the tip of the rod has penetrated for a short distance into permafrost.

The depth to permafrost is thus readily determined but this method is not very effective in soils with boulders or where permafrost is deep.

Auger Boring — If hand augers are available, it is more advisable to use this method. It provides important information on groundwater level and type of soil as well as permafrost level.

With a standard 1½ in. diameter auger, penetration through seasonally frozen ground is at times difficult. In permafrost, it is practically impossible.

Great care must be taken in judging when the permafrost level has been reached. The usual sign is when the auger does not bite into the ground but merely scrapes very small frozen flakes of soil.

Dropping the auger in the hole produces a muffled "clink" if it is permafrost. If a boulder has been hit, the sound will be sharper.

Costly Oversights

Costly experience has proven that it is fatal to ignore the presence of permafrost in northern construction. Any attempt to fight permafrost through the use of stronger materials or more rigid structures is not economical. The solution is to modify building foundations.

Before deciding on the type of foundation required it is necessary to ascertain the soil and permafrost conditions as well as consider the cost and function of the building. This information can be obtained through:

—A reconnaissance survey to collect all relevant information before selecting the final site.

—A site survey, which will examine all locations likely to prove suitable according to the reconnaissance information. However, such surveys need not be extensive and for temporary structures can be omitted.

—A building cost and use review, which is desirable before selecting the type of foundation, even when the ground conditions are known. Temporary or low cost buildings do not require elaborate foundations while permanent ones do. It is even possible to use different forms for different sections of the same building, thus cutting costs.

There are two types of permafrost, sporadic and continuous. A sporadic area is where permafrost is found in scattered patches, is not thick, and has a temperature near the melting point, 28 to 32 deg. F.

A continuous area is where permafrost is found everywhere under the natural surface, is relatively thick and has a temperature below 28 deg. F.

Study The Vegetation

It is essential to determine the type of permafrost although identification may be difficult. Often the geographic location together with observation of nearby construction will provide the answer. Furthermore, many features of surface vegetation will give clues about the underlying material.

In both sporadic and continuous permafrost areas, seasonal frost frequently damages foundations.

Types of building foundations used in permafrost areas are surface, buried and pile foundations.

Surface foundations include mudsills, timber pads and concrete pads. These are placed on the surface and are affected by frost action. Therefore they are generally used for temporary or low-cost buildings where some movement of the structure is not serious.

Because mudsills and timber pads are wooden they tend to rot at the ground surface as they are subject to continual wetting and drying. Unless treated with a preservative their average life is from five to 10 years. However, concrete pads have longer durability.

Buried foundations include timber posts, concrete piers, concrete spread footings, concrete wall footings and timber cribs. These are suitable for permanent structures and those which place a heavy load on the foundations depend on permafrost for support and as an anchor against frost action.

These must be deep enough to prevent any chance of heat from the building penetrating the permafrost and melting it beneath the foundations. This is necessary to secure the anchorage and prevent settlement of the building.

Pile foundations are best for structures with heavy floor loads or where the site is low lying and poorly drained. Their advantages are that they can use native materials, they do not require expensive excavation and their ready adaptation to preserving permafrost.

In areas of sporadic permafrost it is usually advisable to thaw the permafrost or avoid it as foundation material, and plan the foundations for the thawed soil properties. The existence of permafrost in patches indicates that it is close to melting point, and disturbance of the overlying material could easily prevent it from re-forming.

In areas of continuous permafrost it can usually be used as a foundation material. However, there is a fine balance between the overlying material and the permafrost, as with sporadic permafrost. Construction will lower the permafrost level and the foundations should be placed deep enough to be in permafrost even after unavoidable thawing.

Careful Planning

Construction in Canada's northland requires thorough planning because of the short summers and limited transport facilities.

Preliminary reconnaissance should be finished by the fall before actual construction. Sometimes it is advisable to complete the foundations in the fall, especially where refreezing of foundation material is slow.

Design and material orders should be complete by midwinter. Careful timing of material shipments is necessary to avoid construction delays or stoppages through shortages. Often foundation material shipments can be made in the previous fall, thereby enabling some construction to begin before the spring break-up. All exterior work should be finished during the summer, leaving the interior work for completion during the late fall and winter.

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CNR Income Drop $1.5 Million

MONTREAL (Staff) — CNR reports a drop in net operating income for April of $1,542,000 as compared with April last year, but the total such income for the first four months of 1956 is still ahead of the corresponding period last year. Operating revenues and expenses were up.

Summary:

	MONTH OF APRIL 1956	1955	Increase
	$	$	$
Oper. revs.	63,116,000	54,237,000	8,879,000
Exps., taxes & rents.	60,959,000	50,538,000	10,421,000
Net op. inc.	2,157,000	3,699,000	*1,542,000

*Decrease.

	AGGREGATE TO APRIL 30		
	$	$	$
Oper. rev.	241,105,000	208,096,000	33,009,000
Exps., taxes & rents	234,715,000	205,637,000	29,078,000
Net op. inc.	6,390,000	2,459,000	3,931,000

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new president, Toronto Advertising and Sales Club, is sales manager, Feed Division, Toronto Elevators Ltd.

Personnel Men Elect Officers

C. P. Chaston, Shell Oil's industrial relations manager for Canada, has been elected president of Personnel Association of Toronto for 1956-57.

Vice-presidents: J. V. Cuff, Central Ontario Industrial Relations Institute; W. H. Oliver, Lever Brothers.

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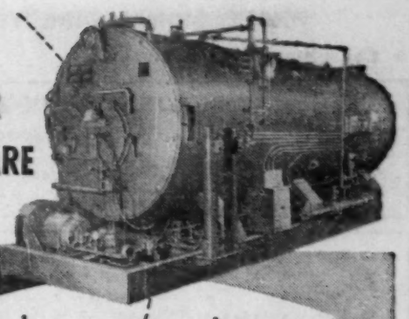

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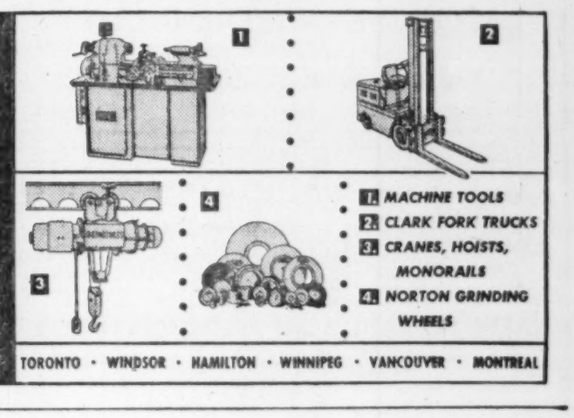

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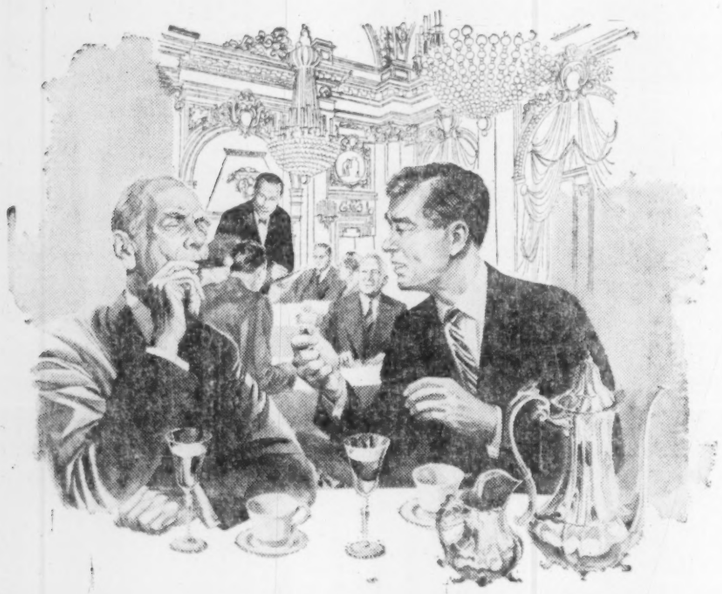

The Credit Manager "takes" a loss

"Sit down, John." The Treasurer seemed almost too affable, and the Credit Manager felt uneasy as he took his seat. "John, I'm faced with a problem. Costs. We've got to cut them. So the Board has given me the chore of chopping. Nothing but essentials must remain. That," he concluded, "is where you come in."

"At least," the Credit Manager thought, "he didn't say it's where I go out!" Then he realized he hadn't been listening.

"——with Credit Insurance, we've been paying for protection where we haven't had any losses to amount to anything for years. I'll have trouble justifying this." The Treasurer looked reproachful.

"Justify Credit Insurance?" The Credit Manager spoke with an appearance of calm. "First, there *was* the matter of using our insured Accounts Receivable as collateral for that sizable loan last year." He smiled inwardly as the Treasurer looked away. "Then, there *is* the matter of our increased volume over the past four years. Next, our control of losses——" he stopped as the Treasurer held up a hand.

"John," the Treasurer sounded regretful, "you make an excellent case. Nevertheless, something's got to go. In your department, Credit Insurance is the only thing I can see that's—uh—expendable." He held up his hand again as the other seemed about to speak. "Now, if you could insure just our marginal accounts . . . But something's got to go!"

* * *

The Credit Manager looked ruefully at the man from American Credit Indemnity. "Sorry to bend your ear this much," he apologized.

The American Credit man looked thoughtful. "I'm not sorry at all," he said, "because I'm sure we can help you. Not by accepting only your marginal accounts, because that would not be good for you or us, but simply by raising your primary loss."

"Raising our loss? Good grief, Joe, I couldn't agree to a thing like that!" The Credit Manager sound anguished.

The American Credit man was amused at the other's reaction. "The expression isn't 'loss', John, it's 'primary loss'. By raising your primary loss, we can reduce your premium, and you'll still be getting protection where you need it most: on all amounts above—say, twenty-five thousand dollars."

"Hmm! I never thought I'd be glad to accept anything higher that had the word 'loss' in it, but this sounds like a good solution, Joe!"

* * *

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Bank Staff Changes

Nova Scotia:

R. B. WILLIAMSON, manager, Edson, Alta., to be manager, Hinton, Alta.

D. J. C. NICHOLL, accountant, St. Clair & Oakwood, Toronto, to be asst. manager, King & Victoria, Toronto.

G. V. ALLISON, accountant, Elgin & Frank, Ottawa, to be accountant, Rideau & William, Ottawa.

D. R. BECKSTEAD, accountant, Metcalfe & Albert, Ottawa.

K. F. KIRKE, asst. accountant, Charlotte St., Saint John, to be accountant, Lancaster, N.B.

D. L. MORASH, accountant, Amherst, N.S., to be accountant, Saint John.

K. G. WATSON, accountant, Liverpool,

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The LONDON FREE PRESS
London Ontario
CANADA'S FAVOURITE TEST NEWSPAPER

Nose Count Costs $5 Mill.

Rapid Growth Requires Our First Five-Year Census

By VINCENT EGAN

OTTAWA (Staff) — Some 16,000 enumerators have begun ringing doorbell's and counting noses for Canada's first national five-year census. By mid-June, the $5 million job should be largely completed.

Before this year, the national census was taken only every 10 years. But Canada is now growing so rapidly, and moving from place to place so frequently, that more frequent checks are needed.

Final count, when published next January, will show a population only slightly below or above the 16-million mark. That is already known from statistics on births, deaths and immigration.

To the Dominion Bureau of Statistics, and especially to business, one of the chief values of the 1956 census will be not the total population figure but rather the break-down by areas.

Market researchers have found it increasingly difficult in recent years to do their job efficiently without more up-to-date information on the buying public. The 1956 census will fill that gap with area-by-area summaries of population—number of people, number of families, age, sex and marital status.

In cities, population will be broken down into "census tracts" comprising a few city blocks and about 5,000 people.

From this raw material, researchers will be able to analyze potential markets, and plan sales territories, location of retail stores, advertising budgets and the like.

The census will show, for instance, those who live outside the city limits but work in the city. It will separate metropolitan fringe areas from genuinely non-urban districts.

The data will be useful not only to businessmen who make or sell baby carriages, teen-age clothes and automatic washers. It will help educators to plan the size and location of new schools, local governments to foresee their communities' needs for hospitals, roads and sewers.

Senior governments will use the figures to revise their financial plans. Per capita grants are the basis of federal-provincial tax agreements, and of some provincial-municipal arrangements.

Counting Cows

Although the urban census is limited to six questions per person, the census of agriculture will list 76 questions, or more than 100 enquiries when parts of questions are included.

Farmers will be asked to give such information as the number of pigs, sheep, cattle, horses and poultry they own; trees, crops and area under cultivation; dairy and poultry production; machinery in use; and male labor employed on the farm.

To speed up the rural census-taking, DBS sent questionnaires to all farmers last month. These, it hoped, the farmer would complete so that all farm data would be ready when the enumerator arrived.

In making both farm and urban census, enumerators are using special "mark-sense" heavily leaded pencils to indicate answers in the proper squares on the census cards.

The cards will later be fed through machines which will translate the marks into punched holes on a card half the size of the one used by the enumerator.

Other machines will translate the punched cards into facts about groups of people. Cards with obvious errors—a too-youthful head of household, for instance—will be sent back automatically for re-checking.

Other errors may not be detected. Statisticians everywhere have found, for instance, that there are certain "preferred ages"—considerably more people give their ages as 30, 35 or 40 rather than a year younger or a year older.

This year, DBS predicts the big increase will be in the number of under-10 children, and particularly those under five years of age. Married women between 20 and 24 will also be much more numerous, it believes.

Both these facts point to a sharp rise in Canada's population during the 1960s, when today's under-10s start forming their own families and today's newlyweds are surrounded by their own children.

CPR April Profit Down $342,351

MONTREAL (Staff) — Operating revenues and expenses of the CPR for April were higher than in the corresponding period last year, but net earnings were down $342,351. For the first four months of this year, net operating income shows a gain of $463,811 over 1955 figures.

Summary:

MONTH OF APRIL

	1956	1955	Increase
	$	$	$
Rly. rev.	41,315,846	35,328,295	5,987,551
Rly. exps.	39,285,580	32,955,678	6,329,902
Net earns.	2,030,266	2,372,617	*342,351

*Decrease.

AGGREGATE TO APRIL 30

	$	$	$
Rly. rev.	155,606,996	137,018,644	18,588,352
Rly. exps.	148,031,727	129,907,186	18,124,541
Net earns.	7,575,269	7,111,458	463,811

Executives Go to School Again

Sixty-nine senior executives from five provinces and the United States attended this year's marketing management course at the University of Western Ontario. The enrollment, highest in the history of the course, included one managing director, one director of marketing, five vice-presidents, and 40 sales managers.

Focus of the course was on discussion and analysis of marketing problems found in a series of case histories of actual business operations.

Topics dealt with included sales management, promotional strategy, market research and administration.

In addition, an executive workshop was held on motivation research under the direction of Dr. Burleigh Gardner, executive director of Social Research Inc., Chicago. Director of the course was John J. Wettlaufer of the U.W.O. School of Business Administration. Other staff members, also drawn from the School of Business Administration, were Dean F. W. P. Jones, Associate Dean W. A. Thompson, Prof. J. C. Taylor and Prof. D. S. R. Leighton.

These executives enrolled for the course:

L. J. Adams, Trans-Canada Air Lines, Montreal.
J. D. Allan, The Steel Co. of Canada Ltd., Hamilton.
A. J. Allen, Aluminum Goods Ltd., Toronto.
S. G. Alton, Continental Can Co. of Canada Ltd., Montreal.
L. W. Baines, Supertest Petroleum Corp. Ltd., London.
G. Baukham, Harding Yarns, Guelph.
J. G. Bawtenheimer, Toronto Type Foundry Co. Ltd., Toronto.
R. J. Benson, Shell Oil Co. of Canada Ltd., Montreal.
J. T. Black, Polymer Corporation, Sarnia.
J. T. Borbey, Dominion Bridge Co. Ltd., Montreal.
J. E. Botsford, Hiram Walker & Sons, Ltd., Walkerville.
K. L. Bower, The Southam Company Ltd., Toronto.
D. B. Brick, Dominion Textile Co. Ltd., Montreal.
C. E. Brown, MacLaren Advertising Co. Ltd., Toronto.
H. A. Bryant, Canadian Pittsburgh Industries Ltd., Toronto.
J. W. Bryers, The Mcbee Co., Toronto.
W. W. Burkart, Canadian Cottons Ltd., Montreal.
W. R. Carruthers, Interlake Tissue Mills Co. Ltd., Toronto.
E. W. Church, Canadian Industries Ltd., Montreal.
C. E. Cloutier, Dryden Paper Sales Ltd., Winnipeg.
G. T. Cook, Atlas Steels Ltd., Toronto.
F. W. Cranston, Babcock, Wilcox & Goldie McCulloch, Galt.
J. G. Dunlop, Canada Iron Foundries Ltd., Montreal.
R. D. Fardell, Imperial Oil Ltd., Toronto.
I. F. Flemming, Ontario Steel Products Co. Ltd., Toronto.
S. B. Fulton, McLarens Ltd., Hamilton.
K. V. Gadd, The Quaker Oats Co. of Canada Ltd., Peterborough.
P. E. Gervais, H. J. Heinz of Canada Ltd., Montreal.
F. G. Grant, Grant Brothers Sales, Ltd., Toronto.
W. A. Hadden, Champion Spark Plug Co. of Canada Ltd., Windsor.
J. L. Harbottle, General Foods Ltd., Winnipeg.
J. S. Henry, British Columbia Packers Ltd., Toronto.
G. A. Holland, Martin Paper Products Ltd., Winnipeg.
S. W. Hooper, Canadian Pittsburgh Industries Ltd., Long Branch.
L. H. James, Wilkinson-Kompass Ltd., Hamilton.
E. G. Johnston, CNR, Toronto.
J. A. H. Kay, Hamilton Spectator, Hamilton.
J. E. Koyl, The Bird-Archer Co. Ltd., Cobourg, Ont.
N. A. Landerman, CNR, Montreal.
A. T. Lennox, John Labatt Ltd., London.
L. K. Lichty, Dow Chemical of Canada Ltd., Toronto.
S. F. Long, The Bell Telephone Co. of Canada, Toronto.
H. W. Main, Dominion Electrohome Ind. Ltd., Kitchener, Ont.
S. W. Manley, Reliance Petroleum Ltd., London.
J. E. Marrott, Canada Bread Co., Toronto.
P. T. McDevitt, Carbide Chemicals Co., Montreal.
S. A. Meighen, Consolidated Paper Sales Ltd., Montreal.
B. A. Monkman, Consolidated Concrete Industries Ltd., Calgary.
S. C. Moore, Phillips Electrical Co. (1953) Ltd., Toronto.
F. G. Murphy, Linde Air Products Co., Toronto.
H. J. Parsneau, Canada Creosoting Co. Ltd., Calgary.
F. M. Pope, Consumers Glass Co., Montreal.
J. V. Powell, Minnesota Mining & Mfg. Canada Ltd., London.
B. J. Richards, Dominion Rubber Co., Toronto.
D. W. Richardson, Reliance Electric & Engineering Canada Ltd., Toronto.
R. H. Ruebottom, W. C. Hardesty Co. of Canada Ltd., Toronto.
C. Ruppman, Reuben H. Donnelly Corp., Chicago.
K. V. Seymour, Hill Clark Francis Ltd., New Liskeard, Ont.
T. R. Sneath, Canadian International Paper Co., Montreal.
J. Stevenson, Ford Motor Co. of Canada Ltd., Toronto.
W. E. Stracey, Standard Tube & T.I. Ltd., Woodstock, Ont.
G. L. van Koughnett, Seagram Overseas Corp., Montreal.
S. Walton, E. W. Reynolds Ltd., Toronto.
W. M. Warner, General Motors Diesel Ltd., London.
R. M. Watson, Canadian Industries Ltd., Montreal.
E. L. Wertheimer, Burlington Industries (Can.) Ltd., Montreal.
L. C. Williams, Dominion Engineering Co. Ltd., Toronto.
G. A. Young, Canadian Oil Companies Ltd., Toronto.
G. R. Zwinge, Bell Telephone Co. of Canada, Montreal.

$5 Million IAC Bonds Offered

MONTREAL (Staff)—An offering of $5 million, principal amount in 5¼% sinking fund debentures of Industrial Acceptance Corp. has been made by a group of investment dealers headed by Greenshields & Co. Inc. and Wood, Gundy & Co. Price is 100.

The bonds are dated June 1, 1956, and are due June 1, 1975. Proceeds will be used for general corporate purposes.

Commencing in 1957, annual sinking fund of 3% will retire 54% of the issue prior to maturity. Company's earnings available for debenture interest for the year ended Dec. 31, 1955, were $15,533,774 or 7.8 times the maximum annual interest requirements of all debentures to be outstanding on the completion of this financing.

Company's retail business in the first four months of this year showed an improvement of more than 50% over the same period in 1955.

Consolidated net profit for 1955 (latest full year available) was $7,394,892, compared with $6,837,286 in 1954. Net profit for the three months ended March 31, 1956, was $1,869,125.

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Bank Staff Changes

Imperial:

R. J. O'DONNELL, to be attached to the accountant's dept., Yonge & Bloor, Toronto.
T. R. CONNELL, to be attached to the accountant's dept., Niagara Falls South.
R. A. MANN, to be assistant accountant, Port Colborne, Ont.
G. E. BOWMAN, to be assistant accountant, Walkerville, Ont.
R. H. BONNETT, to be attached to the accountant's dept., Windsor.

* * *

Commerce:

H. B. KITCHEN, accountant, Sarnia, Ont., to be manager, Port Dalhousie, Ont.
H. F. LANGSTON, asst. accountant, St. Laurent, Que.
J. R. LOEWEN, accountant, Stafford & Grosvenor, Winnipeg.
A. D. LUNT, an asst. manager, mortgage dept., head office, to be an inspector, head office, Toronto.
T. E. MALLALIEU, accountant, Rouyn, Que., to be manager, Beebe, Que.
P. MARTEL, accountant at Drummondville, Que., to be manager of the newly opened branch at Thurso, Que.
J. M. MITCHELL, accountant, West Toronto, Toronto, to be manager, Malton, Ont.
C. H. MUNRO, an asst. accountant, Market, Toronto, to be accountant, Church & Dundas, Toronto.
J. D. McELHINNEY, an asst. accountant, 199 Yonge St., Toronto.
P. W. McKIEL, an asst. accountant, West Toronto, Toronto.
F. E. NEWMAN, an asst. accountant, West Toronto, Toronto, to be accountant, West Toronto.
G. C. J. NEWMAN, an asst. accountant, Peterborough, Ont.
L. P. R. RIOUX, asst. accountant, Sherbrooke, Que.
D. C. RIVETT, manager, Beebe, Que., to be an asst. inspector, regional office, Montreal.
H. S. ROWBOTHAM, accountant, McLeod Bldg., Edmonton, to be an audit officer, regional office, Calgary.
J. F. ROY, asst. accountant, St. Laurent, Que., to be accountant, St. Henri, Montreal.
J. SCHINCK, asst. accountant, Bedford, Que.
G. E. TAYLOR, an asst. manager, Winnipeg, to be manager, Saskatoon.
J. TAYLOR, manager, Longueuil, Que., to be manager, Howick, Que.
C. H. THOMAS, accountant, Magog, Que., to be manager, Longueuil, Que.
J. A. TURCOTTE, asst. accountant, Sherbrooke, Que., to be accountant, Drummondville, Que.
W. WILLIAMS, manager, Saskatoon, Sask., to be manager, Phillips Square, Montreal.

* * *

Nova Scotia:

P. A. ENMAN, manager, Metcalfe & Albert, Ottawa.
A. KERR, manager, Edson, Alta.
W. C. H. PATTIE, asst. manager, King & Victoria, Toronto, to be manager, Galt, Ont.

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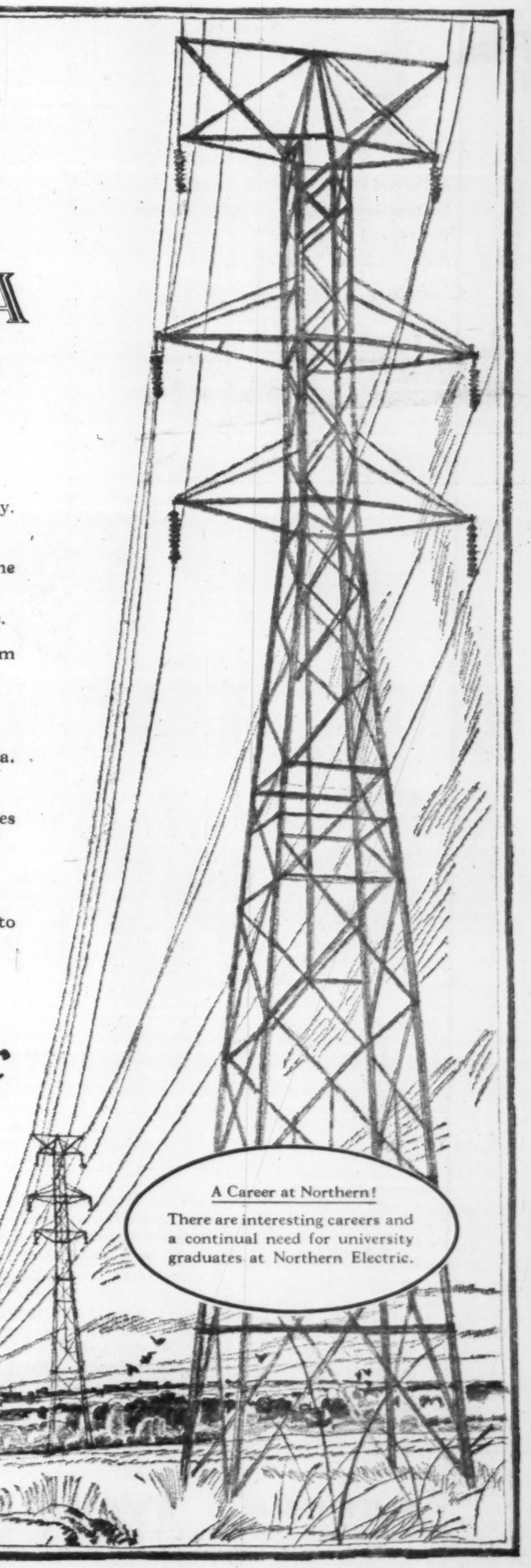

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L. J. FLORA,
Resident Secretary.

Dated at Toronto this 11th day of May, 1956.

NOTICE

CALEDONIAN-AMERICAN INSURANCE COMPANY

OF NEW YORK, N.Y.

Notice is hereby given that the Caledonian-American Insurance Company of New York, N.Y., having ceased to carry on business in Canada and having reinsured its liabilities in Canada in the Caledonian-Canadian Insurance Company of Toronto, Ontario, which is registered under The Canadian & British Insurance Companies Act 1932, as amended, to transact business in Canada, will apply to the Minister of Finance for the release on the 30th day of July 1956, of the securities on deposit with the Minister of Finance; and that any Canadian policyholder opposed to such release should file his opposition thereto with the Minister of Finance —Ottawa on or before the 30th day of July 1956.

Dated at Toronto, Ontario, this 16th day of April 1956.

Signed REGINALD L. YOUNG,
Chief Agent in Canada.

Forced Out Of Business By Imports

Companies Can't Compete In Cheap Rubber Footwear Market

Cheap imports have driven three Canadian rubber companies out of business.

Low-priced rubber footwear from Hong Kong and India have forced Superior Rubber and B. F. Goodrich to end production of rubber-soled canvas shoes. Dominion Rubber has stopped making bicycle tires, being unable to meet foreign competition.

Here's the background, gathered at the annual meeting of the Rubber Association of Canada, recently held in Toronto:

Delegates to the Rubber Association of Canada annual meeting in Toronto were told:

Prewar, on an an average, 25% in value of Canadian rubber products were exported and 5% were imported. Difference: an export balance of $13 million.

Last year 3% were exported and 10% imported. Difference: an import balance of $21 million.

In the first two months of 1956 imports were worth $5.4 million, 33% up Jan.-Feb., 1955. Exports were worth $1.5 million, 14% down.

Early this year the Superior Rubber Co. and B. F. Goodrich, Canada, withdrew from the rubber footwear field. They blamed the flood of imports.

Here's why:

—Exports of rubber-soled canvas shoes have dropped from 2.3 million pairs in 1947 to 6,000 pairs last year.

—Imports have risen from 2,000 pairs in 1949 to 2.5 million pairs last year.

—Imports held 1% of the Canadian market in 1949, and 56% at the end of 1955. The industry predict that in another eight months imports will rise to 75% of the market.

The Dominion Rubber Co., one of the two major Canadian producers of bicycle tires, abandoned this market early this year. Factors:

—Imports have jumped 171% since 1950 and now account for half the sales in Canada.

—Imports of other pneumatic tires have jumped from 17,000 units in 1950 to 515,000 last year.

Said the association's president, W. H. Funston, president, Firestone Tire and Rubber Co. of Canada: "The footwear division has been harder hit by foreign competition than other divisions and there is ample evidence that the margin by which the others have avoided a similar fate is narrow and becoming narrower."

Record High Output

Despite this, Canada's rubber industry has hit a record high in production and sales. The 84,500 long tons of new rubber processed in Canada last year was 15% up on the previous record year, 1953. Consumption of new rubber in the first two months of 1956 jumped 13% on the same period last year.

"I doubt that the industry will be able to maintain this high rate of increase throughout the year," says Funston.

Where will the next blow fall? Producers are watching the fast-growing value of imports of mats and matting, gaskets, hot water bottles, weatherstripping, washers and hose.

Bulk of the imports are from cheap-labor Hong Kong and India. Here's how rubber-soled canvas shoes from these two countries have been dumped into the Canadian market:

	1953	1955
Hong Kong (pairs) ...	345,000	2,000,000
India (pairs)	65,300	350,000

Here are other points on the industry, given by the association's manager and secretary, Greig B. Smith:

—World production of synthetic rubber is going up from one million long tons last year to an estimated 1.28 million this year.

—Canadian production of synthetic rubber is going up from 103,896 long tons in 1955 to an estimated 133,000 this year.

—Average price of natural rubber is down to 30.5c per lb., compared to 39.14c last year and 23.64c in 1954. Reasons: increased synthetic rubber production and decreased demand for original equipment tires in the U. S.

W. H. Funston was re-elected president.

Other officers are:

Vice-president: Ira G. Needles, president, B. F. Goodrich; treasurer: J. R. Belton, director, Gutta Percha and Rubber.

Manager-secretary: Greig B. Smith.

Directors:

J. P. Anderson, president, Dunlop Canada.

R. C. Berkinshaw, president, Goodyear Tire & Rubber Co. of Canada.

M. L. Brown, president, Seiberling Rubber Co. of Canada.

J. W. H. Miner, vice-president, Miner Rubber Co.

J. D. Morgan, exec. vice-president, Viceroy Manufacturing Co.

C. C. Thackray, president, Dominion Rubber Co.

New Gasline Will Serve B.C. Interior

A major step toward distribution of natural gas through the interior of British Columbia has been taken. The B.C. Public Utilities Commission has authorized Inland Natural Gas Co. Ltd. to transmit and distribute gas in the Cariboo, Okanagan and West Kootenay areas.

Inland President John A. McMahon says the company will spend $22 millions within 16 months and a total of $28 millions by 1960 to provide facilities.

Inland is authorized to build lateral transmission lines from Westcoast Transmission facilities to serve Prince George, Quesnel, Williams Lake and Merrit. It calls for a major transmission line from Westcoast's Savona station to Kamloops and through Okanagan to Osoyoos, Grand Forks, the Rossland-Trail-Nelson area, with a branch line to serve Armstrong, Enderby and Salmon Arm.

The McMahon company also has been authorized to distribute gas in 25 other communities in the Cariboo, Okanagan and West Kootenay areas and to sell gas to the Prince George Gas Co. Terms of the Prince George-Inland contract will be attempted privately but if agreement cannot be reached the Utilities Commission will arbitrate a settlement.

Aerial surveys are being made now for right-of-way studies and this phase of the operation will be completed soon, says McMahon.

The president added that Inland is assured of financing and that the first public offering of securities will be made in about three months.

Project manager for the construction operations is Ford, Bacon & Davis Canada Ltd. Contracts will be let within the next few weeks in an attempt to get the entire system completed by summer of 1957.

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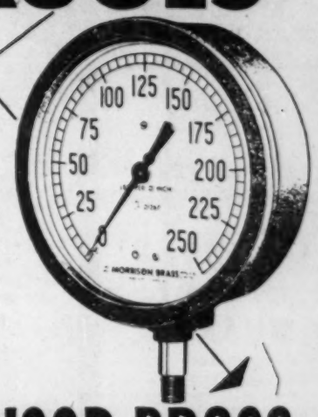

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Company Reports

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

Merchandising

WESTERN GROCERS LTD., Winnipeg, consolidated net profit for the 14 months ended Feb. 25, 1956 was $1,010,305, compared to $1,259,144 for the 12 months ended Dec. 31, 1954. This is first time all group companies have used same fiscal period.

Total sales volume was slightly higher with grocery tonnage increasing but produce sales declining. Company believes this was due to farmers having less cash income which consequently led to greater selectivity in purchasing foodstuffs, reports President E. S. Cooper.

Western again cut operating expenses. Payroll was higher and gross profit percentage was lower. Nevertheless, net earnings were $1 million higher. Company occupied new Vancouver warehouse in January, 1955 and in January, 1956, occupied new Prince Rupert, B.C., warehouse. It is now building one in Fort William, Ont., scheduled for completion this summer.

Western amalgamated its branches at Port Arthur and Fort William, Ont., and converted its branch operations at Trail and New Westminster, B.C., to cash and carry wholesale depots. It also opened six other cash and carry wholesale depots.

Accounts receivable are being collected more closely relative to sales than ever before. Terms are comparatively short, reserve for bad debts appears ample and actual losses on bad debts are relatively small, company says.

The consolidated statement for 1954 includes figures for fiscal years ending within 1954. Closing date for all subsidiaries has since been changed to the last Saturday in February. The periods covered in the 1955-56 consolidated statement are of varying lengths, and in all cases are of more than 12 months.

CONSOLIDATED INCOME ACCOUNT

Period:	14 mos. ended Feb. 25 1956	Year ended Dec. 31 1954
Net earnings	$3,516,978	$3,404,138
Less: Deprec.	1,421,101	940,595
Res. for taxes	1,085,572	1,204,399
Net profit	**1,010,305**	**1,259,144**
Less: Pref. divds.	83,601	83,601
Cl. A divds.	135,544	135,544
Com. divds.	86,658	86,658
Surplus for year	**704,502**	**953,341**
Earnings per Share and Dividend Record:		
Preferred	$16.92	$21.09
Paid	1.40	1.40
Class A	*13.47	17.35
Paid	2.00	2.00
Common	†8.71	12.00
Paid	1.00	1.00

*After deducting 14 mos. divds. on pref. shs.
†After deducting 14 mos. divds. on cl. A shs.

CONDENSED CONS. BALANCE SHEET

As at:	Feb. 25 1956	Dec. 31 1954
Cash	$867,660	$28,553
Accts. rec. less res. ...	5,127,850	5,061,002
Inventories	11,460,734	10,963,492
Total curr. assets ..	**17,456,244**	**16,053,047**
Prepaid exps.§	173,425	166,652
Misc. assets	235	.....
Invest. & adv. subs. ..	.....	87,379
Fixed assets†	12,791,096	10,924,501
Excess pd. over bk. value	.....	150,128
Total assets	**30,421,000**	**27,381,707**
Due bank	3,707,727	500,000
Accts., tax., etc., pay.	7,049,515	8,101,373
Total curr. liab.	**10,757,242**	**8,601,373**
Reserves	1,349,746	1,567,474
Liab. re subs.	1,225,374	978,633
Capital stock	2,217,163	2,217,163
Surplus	14,871,475	14,016,864

†After unstated res. for deprec.
§Included in current assets in co's report.
Working capital 6,699,002 7,451,474
Contingent Liab. — Estimated amount payable to the employees' pension plan in respect of past services—$346,500. Estimated cost of completing construction $400,000.

BELGIUM STORES LTD., Montreal, consolidated net profit for the year ended Jan. 31, 1956 soared 664% ahead of previous year ($9,345 against $1,223).

Company opened new stores at Ottawa and Hamilton, Ont., and Trois Rivieres, Que., and closed its Yonge St., Toronto, one making a total of 38 stores in operation.

CONS. INCOME ACCOUNT

Years Ended Jan. 31:	1956	1955
Gross revenue	$962,685	$934,957
Net earnings	45,414	42,001
Less: Deprec.	36,069	40,778
Net profit	9,345	1,223
Less: Pref. divds. ...	14,785	14,785
Deficit for year	5,440	13,562
Earnings per Share and Dividend Record:		
Pref.: Earned	$0.63	$0.08
Paid	1.00	1.00
Common: Earn. ...	d0.11	d0.27
None paid.		

CONDENSED CONS. BALANCE SHEET

As at Jan. 31:	1956	1955
Cash	$3,050	$2,825
Accts., etc., rec.	3,327	3,447
Inventories	562,413	513,444
Total curr. assets .	**568,790**	**521,716**
Prep. exp.§	3,852	4,382
Fixed assets*	250,300	272,724
Total assets	**827,942**	**798,822**
Bank o'draft	136,343	178,165
Accts., etc., pay.	150,105	73,722
Total curr. liabs. ..	**286,448**	**251,887**
Capital stock	320,700	320,700
Capital surplus	112,430	112,430
Earned surplus	108,364	113,805
*After depr. of ...	321,511	291,604
§Incl. in current assets	in co's accounts.	
Working capital	**282,342**	**269,829**

Mining

BEATTIE - DUQUESNE MINES realized a $50,177 operating profit in 1955 ($31,951 loss in 1954) but is concentrating present attention on placing its new Hunter copper mine, 3½ miles northeast of the Beattie mill, in production. The Donchester mine was closed down at the end of 1955 and no underground exploration was carried on at the Beattie mine during 1955.

Diamond drilling at the Hunter mine is stated to have indicated a copper ore body containing an estimated 2.8 million tons down to 1,000 ft. depth averaging 1.5% to 1.7% copper. Shaft sinking is now under way and President C. Glenn Hunter anticipates that production of ore for treatment at the Beattie mill will commence in about five months.

Beattie-Duquesne has been active in outside exploration and a controlled subsidiary, Dufresnoy Mines, is being formed to hold and develop a large property known as the Dragfold group about three miles southwest of the mill. Diamond drilling on this group is now under way. Dufresnoy Mines hold an option on another group of claims and work will be completed on three other groups acquired by staking.

INCOME ACCOUNT

Years Ended Dec. 31:	1955	1954
Bullion production ..	$1,717,132	$1,791,578
Add: Cost-Aid	319,073	327,973
Total revenue	2,036,205	2,119,551
Less: Admin. & gen. exp.	44,679	35,807
Min. & mill. exps. .	1,915,640	2,096,672
Marketing	15,042	16,253
Expl. outside prop.	4,854	.....
Loss on f.a. sold ..	5,813	2,770
Operat. profit	50,177	‡31,951

‡Loss.

Earnings per Share and Dividend Record:		
Common	$0.010	d$0.008
None paid.		

CONDENSED BALANCE SHEET

As at Dec. 31:	1955	1954
Cash & bullion	$233,682	$72,121
Accts. rec.	98,300	32,260
Cost-Aid rec.	125,900	131,500
Inventories	173,790	248,330
Total curr. assets .	**631,672**	**484,211**
Prepd. exps.	25,275	8,398
Def. devel.	1,676,256	1,606,954
Misc. assets	380,640	409,667
Min. cls. & props. ..	882,225	879,726
Plant & equip.*	509,859	735,355
Total assets	**4,105,927**	**4,124,311**
Bank loan	.....	120,000
Accts., etc., pay.	105,431	187,538
Total curr. liabs. ..	**105,431**	**307,538**
Notes pay.	.....	116,294
Capital stock	4,059,465	3,689,464
Surplus	†58,969	11,015
*After deprec. of ..	2,466,107	2,534,451
Working capital	526,241	176,673

OPERATING STATISTICS

	1955	1954
Tons milled	564,750	621,200
Aver. recovery	$3.04	$2.88
Ore reserves, tons ..	90,000	484,000
Grade ($35 gold) ..	$4.03	$3.64

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An Excuse for Inefficiency?

Did the memo from the new manager adequately explain why work was never completed during the day?

"Since taking over this department" it read "I have found that efficient work during the day is almost impossible. Noise and continual interruption plus the distraction of being in an open office cuts down my working potential by at least 20%. To offset this I have been leaving the most detailed work to the quiet of after hours . . ."

This manager has a good point. Distraction of employees' attention by constant traffic and interruption *is* a major cause of inefficiency; but in this case the problem is both simply and inexpensively overcome by Eastern Steel Movable Metal Partitions.

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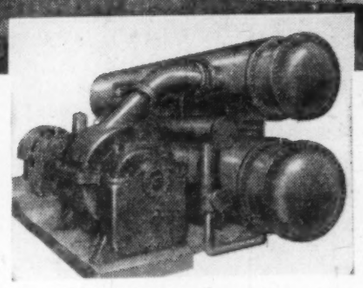

This is the York 800 ton centrifugal water cooling system which prompted the following article to be printed in Toronto's Telegram of July 22, 1955.

"John Legassicke of Confederation Life's personnel department said the air-conditioning was so effective in the company's new building he thought perhaps there might be trouble getting employees to go home."

takes a lot of cooling *in fact*- AN 800 TON AIR CONDITIONING UNIT

Big problems require big answers—and the air conditioning of the new Confederation Life Building Toronto was a big problem. Canadian Ice Machine Co. Ltd. had the answer in an 800 ton turbo compressor—reputedly the largest air conditioning unit yet installed in Canada.

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Oil Refiners Take Look At Progress and Problems

Scientists have unveiled a new weapon in the fight against air pollution, a "smog detective" that exposes hitherto undetectable pollutants existing in minute quantities in the atmosphere.

Discovery of a mysterious "Compound X"—there is less than five parts of the elusive stuff in 100 million parts of air—was revealed to the recent Montreal meeting of the Refining Division of the American Petroleum Institute.

The compound, which may be a major culprit in smog formation, was isolated in the laboratories of The Franklin Institute in Philadelphia, Pa. Tests conducted there simulated smog conditions such as those occurring in the Los Angeles area. William E. Scott, nationally known scientist, told the API meeting that he and fellow researchers at the Franklin Institute are now trying to find out exactly what "Compound X" is and how it works.

The meeting also heard reports of other petroleum industry progress in its multimillion-dollar attack on air pollution. Over three quarters of a million dollars have been spent by the American Petroleum Institute to date to underwrite basic research at 10 universities and institutes. In addition, oil companies in the Los Angeles area alone already have invested $3 million in research and more than $25 million in special air pollution control equipment.

Since the beginning of severe smog attacks, practically all known sources of smoke, from industrial smokestacks to backyard trash burners, from oil refineries to automobiles, have been blamed. Each was carefully studied on all available laboratory apparatus by many air pollution research men.

Diatoms—the microscopic animal and vegetable life that fish thrive on—are being used as allies in the petroleum industry's constant fight against stream pollution. In a paper prepared by Alan A. Sheppard, William K. Ross and Alex D. McRae, all of Imperial Oil Co., at Sarnia, a report on how biological oxidation of wastes is being used in the Sarnia, Ont., area was explained. Control of water-borne pollution of international waterways between U. S. and Canada is invested in the International Joint Commission, and these anti-pollution requirements are rigid. The most economical method of disposal of waste waters containing phenol is the biological oxidation process, McRae said.

The first significant amount of data on tests with automobile engines having compression ratios as high as 11 to one was presented by Max W. Corzilius, of the Du Pont Co.'s petroleum laboratory. Du Pont's tests showed that while the average octane requirements of 11 to one compression ratio engines was 102.1 research octane numbers, one of the engines in the test program could be operated free of combustion noise on as low as 100 octane fuel. Automotive design will continue to be an important factor in determining fuel quality requirements of engines.

Going from engines having compression ratios of nine to one, as do modern cars, to those having 11 to one increases fuel quality requirements eight octane numbers, the Du Pont tests showed. The higher compression ratio also increases the tendency for surface ignition which is of minor importance at nine to one. It was pointed out, however, that proper selection of lubricating oils and engine design will help to minimize these problems.

Instrumentation—the use of machines and automatic equipment to speed up industrial processes—not only is well-established in the petroleum refining industry, but the future holds promise of increased efficiency and further savings in time and costs.

"Though we may be ahead of the automation parade in some respects, we have just begun to realize the possibilities for technological progress that scientific information processing may hold for our production and managerial operations," Albert F. Sperry of Panellit, Inc., Skokie, Ill., told the API meeting. "Not only have we not exhausted the potentialities of these new methods, but we may well be on the threshold of a real breakthrough to new high levels of productivity and effectiveness.

"The real opportunity for technological progress through instrumentation lies in attacking the really significant elements of refinery costs—raw material and capital costs. The opportunities for savings in these fields far exceed the entire labor cost and in the manufacture of many new products they may run many times as great.

Chemical Yields Low

"The gradual trend of the petroleum industry toward petrochemical processing has accentuated this problem seriously. Statistics on yields and efficiencies, particularly on new processes, are not too readily available but it is one of the worst kept secrets in the chemical industry that yields are not what they should be."

Electronic computers, which are capable of solving thousands of arithmetic operations per second, are enabling oil refiners to obtain more efficient utilization of their complex equipment, and are helping to lower product costs for consumers.

Explaining the use of electronic computers, Jack Sherman, of Texas Co., Houston, Texas, said: "In order to produce gasoline, diesel fuel, and other products from crude oil, various separate processes are used such as distillation, cracking, reforming, alkylation, and polymerization. At the outset it is not evident what schedule of operations should be carried out in a given refinery in order to produce the desired finished products most efficiently.

"Many alternative possibilities generally exist, and the most desirable one to use can best be determined by making a large number of calculations. In the past these calculations could not be carried out adequately because they are so extensive that the time involved would have been prohibitive. However, the use of a high-speed computer greatly increases the amount of computation which it is practical to perform."

Sherman said computers also are helping with engineering design calculations and economic studies. "Another big advantage," he continued, "is the fact that they free engineers and chemists from the drudgery of performing time-consuming repetitive arithmetic computations manually."

Hutterites Find Fat Profits In Fat Turkeys

From Our Own Correspondent

LETHBRIDGE — Alberta's Hutterite colonies have found producing turkeys for the Christmas and Thanksgiving trade such a lucrative venture that they're almost falling over each other in expanding these operations.

Long famous as large-scale poultry producers, the Hutterites raised chickens, ducks and geese by the thousands at every colony in Alberta — but consistently avoided turkeys.

Two years ago, however, a few of the 40-odd Hutterite colonies in Alberta went into turkeys with the idea of marketing some of their surplus wheat and supplementing their regular incomes. Now practically every single colony in the province has between 2,000 and 6,000 turkeys aimed at the Canadian Christmas market.

How rapidly Alberta's Hutterites have increased their turkey operations may be appreciated from the experience of the Big Bend Hutterite colony in the nearby Woolford district.

Two years ago, as an experiment, that colony raised 2,200 turkeys and was hounded by buyers anxious to obtain the fat birds. According to Hutterite officials, the experiment paid off "fantastic profits." Last year the colony undertook raising more turkeys, and again the profits were surprisingly high.

So this year that colony has expanded its operations with hopes of sending not less than 5,000 turkeys to the 1956 Christmas trade.

Empire Life Management Remains As Is

No change has taken place in the management or direction of Empire Life Insurance Co., headquarters Kingston, Ont., and none is expected in the foreseeable future.

Recent appointment of H. R. Jackson, president of Dominion and Anglo Investment Corp., to Empire Life's board of directors had sparked speculation in financial and insurance circles that control of Empire Life had changed hands.

However, when questioned if control had shifted, Charles P. Fell, president of Empire Life told The Post:

"Mr. Jackman has acquired stock and been appointed to the board of directors. There is no statement to make. We are carrying on as before, but with a new addition to the board — an addition highly advantageous from the company's point of view. Mr. Jackman is a successful businessman and investor and will contribute much to the company."

Empire Life, with assets valued at $27 millions at year end 1955, is a fast-growing insurance company. Business in force at the end of 1955 amounted to $163 millions, up from the preceding year's $144 millions. New business written last year totaled $25.4 millions, most of which was ordinary life and the largest part of which was effected in Canada. Premium income in 1955 was $3.9 millions, up from the year before's $3.4 millions.

Company Reports

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Finance

PRUDENTIAL TRUST CO., Montreal, net profit for 1955 jumped to $9,286 from net profit of $213 for 1954.

	1955 $	1954 $
Liabs. to public, etc.*	24,027	17,670
Shareholders' equity	520,329	510,739
*Secured by:		
Office premises	213,754	208,265
Liquid assets▲	330,602	320,144
Total	544,356	528,409
▲Includes bonds and stocks.		
Estates account	17,585,830	16,634,010
Net profit	9,286	213
Earned per Share	$0.53	$0.012
Paid	0.50	0.50

GROUPED INCOME SHARES LTD., Vancouver, net profit for the year ended March 31, 1956, was $26,616, 21.2% lower than net profit of $33,757 in previous year.

Total assets rose 165.4% to $2,229,065 ($839,312 a year earlier). Company achieved 4/5 of this growth in final quarter of fiscal year, reports President Allan H. Watson.

Allowing for two-for-one split in December, 1955, outstanding shares increased 112.3% to 553,695 (260,816). There were 802 shareholders and their average participation was $2,779 ($1,944).

Net asset value per share at fiscal year end was 25.2% higher than a year earlier.

Company altered portfolio in accordance with policy of emphasizing securities having outstanding records and prospects for long-term growth. About one third of fund is now in U. S. securities. Portfolio consisted of 47 companies including 33 Canadian.

Total operating expenses related to total assets dropped to 35/100% (88 100%).

CONDENSED INCOME AND SURPLUS ACCOUNT

Years Ended Mar. 31:	1956	1955
Divds. from invest.	$35,082	$41,326
Less: Gen. & admin. exp.	7,857	7,414
Income taxes	143	155
U. S. withhold'g tax.	466	...
Net profit	26,616	33,757
Less: Divds.	43,651	34,072
Deficit	17,035	315
Earnings per Share and Dividend Record:		
Special & com. (new)▲	$0.05	....
Paid	0.05+stk.*	....
Special & com.	....	$0.36
Paid	0.155	0.21

▲After 2-for-1 stock split Dec. 15, 1955.
*Stock dividend amounting to 10 cents per sh., redeemed immediately.

BALANCE SHEET

As at Mar. 31:	1956	1955
Cash	$35,130	$57,959
Investments*	▲2,163,391	562,201
Due from brokers	224,543	44
Divds. rec.	5,312	3,511
Prelim. exp.▲	....	8,714
Total assets	2,428,376	632,429
Due to brokers	187,990	....
Accts. pay.	1,859	965
Prov. for taxes	143	14
Grouped Fd. Dist. Ltd.	9,319	8,762
Capital stock	276,998	130,408
Capital red. res.	1,495,577	484,838
Equal. res.	0	▪157
Unreal. apprec. invest.	456,490	....
Earned surplus	....	7,599
*Market value	2,163,391	779,324
▲Less amount w/o.		
▪Debit.		
▲Cost $1,706,901.		
‡Transferred to earned surplus.		

BRITISH CANADIAN TRUST CO., Lethbridge, Alta., net profit for 1955 was $18,763, 3.1% higher than net profit of $18,204 for 1954.

Real estate for first time showed signs of becoming a major department. Sales representing $470,000 netted company $11,304 in commissions which is more than double previous record, reports President R. R. Davidson and Vice-president George Lomas.

Insurance department had a very satisfactory year despite downward trend in premium rates which could have resulted in lower premium volume. However, new business produced volume close to 1954 record. Premiums amounted to $152,911 ($162,456 in previous year) and showed commissions of $28,464 ($28,655).

Years Ended Dec. 31:	1955	1954
Liabs. to pub., etc.*	$1,457,411	$1,439,271
Sh'holders' equity	523,884	519,092
*Secured by:		
Real estate	378,571	386,352
Fixed assets	9,972	10,845
Liquid assets▲	1,592,752	1,561,166
Total	1,981,295	1,958,363
▲Includes bonds, stocks, mortgages, etc.		
Estates account	2,859,620	2,992,350
Net profit	18,763	18,204
Earned per share	$9.38	$9.10
Paid	7.00	7.00

Transportation

ALGOMA CENTRAL & HUDSON RAILWAY CO., Sault Ste. Marie, Ont., consolidated net profit for 1955 was 161% higher than for 1954 ($1,246,280 against $476,797).

Higher profit was due to greater business activity throughout the country, with all principal commodities except pulpwood showing increases in tonnage hauled, reports President E. B. Barber.

Algoma Central Terminals Ltd. assets were amalgamated with those of railway as of Nov. 30, 1955. Company felt it desirable to take over the assets and relinquish corporate charter of terminals company, which was a wholly-owned subsidiary.

Gross railway and steamship receipts increased 17% to $10 millions. Rail freight revenue rose 18% and passenger train revenue improved 4%. Revenue ton miles jumped 36% to 379.8 millions.

Steamship net revenue (excluding charter fee of SS E. B. Barber) showed a 31% improvement. Steamship tonnage carried rose 24% but vessel days in commission declined to 1,149 (1,168 previous year). Coal and ore tonnages increased while grain tonnage dropped 29%.

Capital expenditures amounted to $558,466, of which $420,000 was for trust equipment note repayment.

Conditions indicate continuation of present business volume for first half of year but wage demands, before a conciliation board, if granted will considerably reduce net profit, company says.

CONSOL. INCOME ACCOUNT

Years Ended Dec. 31:	1955	1954
Gross receipts	$9,984,801	$8,551,534
Net earnings	4,337,629	2,580,672
Less: Deprec.	1,232,860	1,018,032
Equip. trust int.	93,779	106,500
Int. deb. stk. & s.f. bds.	596,192	618,380
Income tax	1,168,718	360,963
Net profit & surp.	1,246,280	476,797

CONDENSED CONS. BALANCE SHEET

As at Dec. 31:	1955	1954
Cash	$1,021,787	$726,484
Accts. rec.	731,421	546,870
Investments†	1,944,221	980,730
Inventories	989,365	1,142,034
Total curr. assets	4,686,794	3,396,118
Def. assets	174,847	398,354
Cash in trust	1,237	1,285
Unadj. debits	232,447	206,926
Fixed: Props.	34,275,609	34,220,940
Land grant lands	....	47,902
Total assets	39,370,934	38,271,325
Accts. & tax pay.	1,014,514	639,735
Funded debt due	420,000	420,000
Bond int. pay.	1,546,275	773,137
Total curr. liabs.	2,980,789	1,832,873
Deferred int.	7,576,748	9,125,023
Insur. res.	153,465	379,230
Maintenance	80,000	66,000
Deprec. res.	8,503,283	7,356,767
Misc. liabs.	208,216	203,435
Funded debt:		
Inc. deb. stk.	10,308,300	10,308,300
Algoma SS bds.	1,321,800	1,773,300
Equip. trust oblig.	1,818,000	2,239,000
Capital stock	4,707,550	4,707,550
Capital surplus	2,573,346	2,570,098
Less: Deficit	865,473	2,307,478
†Market value	1,915,581	980,932
Working capital	1,706,005	1,543,246

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A GENERAL MOTORS VALUE

Yes...5 Spacious 4-Door Hardtops!

1. Pontiac's Laurentian—with a wide-open view
2. The Pathfinder Deluxe—most wanted of all
3. The pleasure of leisure in a Pontiac "860"
4. "870"... magic number in a Pontiac
5. Pontiac's Star Chief... incomparable

OUR ARTIST has the right idea . . . and no wonder! Here he shows the varying moods of five families with one thing in common—the jaunty exhilaration of a Pontiac 4-door hardtop.

It's easy to see that arriving at the courts in that lean, lithe Laurentian makes tennis more enjoyable. And driving to the fishing grounds in double-quick time is a snap for the piscatorial duo in the Pathfinder Deluxe.

As for that young couple with the "860" . . . what are they planning? Perhaps it's a surprise visit to the old folks (Pontiac owners from 'way 'way back) or just a simple pleasure drive (but *what* a pleasure!). The two chaps escaping to the links are easy to understand—as is their pride in that sleek "870" . . . and the family foregathering for their first picnic are certain to find extra fun on the open road. Put *that* down to the easy breezy lift of the finest of them all—Pontiac's breathtaking Star Chief! Whatever you want, you can enjoy the dash and excitement of a convertible plus the comfort and protection of a sedan in any one of Pontiac's five 4-door hardtop models. Horsepowers range all the way from 148 up to a matchless 227.

Visit your nearby Pontiac dealer. You'll choose a Pontiac 4-door hardtop, too!

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Manitoba Expects 'Hopper Troubles

From Our Own Correspondent

WINNIPEG — Warnings have come from the Dominion Entomological Laboratory at Brandon that farmers in five Manitoba areas may have trouble with grasshoppers in the 1956 crop year. Four of the danger districts are in the central part of the province reaching from Gladstone and Neepawa south to the Assiniboine River and a heavier infestation south of the Assiniboine around Elm Creek and Carman.

The fifth area of infestation is east of the Red River centring on Dominion City a few miles from the international boundary.

Severity of the outbreak, the laboratory report says, will depend on weather. A hot and dry June could create a serious problem.

Preventive methods with use of spray poisons are much more effective than the old procedure of poison baits which were supplied by the province and municipalities and which were never popular and not always effective.

This year the department of agriculture has a new control policy. The job of stocking and servicing farmers will be left to the trade which produces the poisons. Farmers requiring supplies will get a rebate of half their costs if their expenditure exceeds $10. They may get the rebate on purchase of poison whether used on their own farms or on adjoining vacant land or road allowances.

CEA, U. of Alberta Get Kellogg Grants

Grants totaling $197,540 to University of Alberta and the Canadian Education Association are included in recently announced commitments by the W. K. Kellogg Foundation, Battle Creek, Mich.

University of Alberta will receive $127,540 to cover an expanded program of short courses for school inspectors from across Canada. The CEA is getting $70,000 to help continue its work collating information and working out new techniques of school administration and supervision in co-operation with the 10 provincial education departments. During the last five years, the Association has received $270,000 from the foundation for work of this nature.

The Kellogg grants, to 31 education institutions and agencies in Canada and the U. S., are earmarked mainly for promotion of co-operative programs in educational administration. A total of $5.5 millions has been given out since 1951.

Defense Contracts

Here's a list of defense contracts for $10,000 or more awarded to Canadian firms during the last half of April by the Department of Defense Production and Defense Construction (1951) Ltd. The list totals $25,950,000, including construction contracts valued at $13,699,190. It excludes amendments to earlier orders and anything on the secret list.

Contractor	Commodity	Value
Abbott Lab. Ltd., Montreal;	medical supplies	$ 11,027
Ahearn & Soper Co., Ottawa;	electronic equipment	13,983
Aircraft Ind. Ltd., St. Johns, Que.;	airframe	510,000
Automatic Elect. Sales, Ottawa;	communication equipment	200,092
Bayly Eng. Ltd., Ajax, Ont.;	electronic equipment	28,000
B. C.-Yukon Air Service, Watson Lake, Y.T.;	charter of aircraft	16,095
Beatty Bros. Ltd., Fergus, Ont.;	tent poles	87,541
Bell & Howell Ltd., Toronto;	photographic equipment	14,677
Bird Archer Co., Cobourg, Ont.;	chemicals	10,312
B-A Oil Ltd., Calgary;	gasoline	42,305
B-A Oil Ltd., Toronto;	fuel oil	168,698
B-A Oil Ltd., Toronto;	diesel fuel oil	24,975
B-A Oil Ltd., Toronto;	petroleum products	277,529
British Yukon Nav. Co., Whitehorse;	gasoline	10,695
Bruce Coal Co., Ottawa;	fuel oil	16,247
Burgess Battery Co., Niagara Falls;	batteries	13,820
Canada Catering Co., Toronto;	catering services	29,532
Canada Glazed Papers, Scarborough, Ont.;	barrier material	14,438
Canada Packers, Montreal;	dairy products	10,899
Canadair Ltd., Montreal;	aircraft spares	44,751
Canadair Ltd., Montreal;	aircraft electrical equipment	12,847
Canadair Ltd., Montreal;	spares	17,279
Cdn. Aviation Elect., Montreal;	electronic equipment	1,290,000
Cdn. Chemical Co., Montreal;	alcohol	14,432
C. G. E. Ltd., Montreal, Que.;	electric refrigerators	38,841
C. G. E. Ltd., Toronto;	electronic components	10,131
Canadian Helicopters Ltd., Ottawa;	charter of helicopter	32,080
C-I-L, Montreal;	pyrotechnics	11,694
Canadian Liquid Air Co., Toronto;	oxygen gas	20,000
Canadian Mobile Co., Vancouver;	forklift truck	11,359
Canadian Oil Ltd., Toronto;	gasoline	43,354
Canadian Oil Ltd., Toronto;	petroleum	66,879
Canadian Vickers Ltd., Montreal;	training equipment	23,000
Cdn. Westinghouse Co., Ottawa;	electrical equipment	10,867
Canmore Mines Ltd., Canmore, Alta.;	coal	15,750
Cannon Electric, Toronto;	electrical equipment	85,298
Capital Comm. Laundry, Ottawa;	laundry services	10,000
Chrysler Corp., Windsor;	vehicle repair and overhaul	50,000
Cities Service Oil, Toronto;	fuel oil	122,000
Coleman Packing Co., London, Ont.;	meat	12,698
Commercial Caterers Ltd., Toronto;	catering services	108,540
Cossor (Canada) Ltd., Halifax, N.S.;	electronic equipment	90,000
DeHaviland Aircraft Ltd., Toronto;	maintenance trainer	650,000
Delaney & Pettit Ltd., Toronto;	packaging materials	23,586
Domac Technical Sales, Ottawa;	electronic equipment	58,584
Dominion Textile Co., Montreal;	cloth	10,050
Dorval Air Transport, Dorval, Que.;	charter of aircraft	79,091
Drumond McCall & Co., Montreal;	steel sheeting	29,670
Du Pont Co., Montreal;	photographic supplies	23,000
Electronic Materials Ltd., Ottawa;	electronic equipment	380,00
Engr. Products Ltd., Montreal;	ammunition components	46,200
Excelsior Refineries, Edmonton;	diesel fuel oil	22,050
Executone Comm. Systems, Toronto;	communication system	14,772
William Fanthorpe, Victoria;	refuse disposal	11,520
Field Aviation Co., Oshawa, Ont.;	parachute assemblies	170,204
Finberg Mfg. Co., Winnipeg;	aprons	17,003
First Co-op. Packers, Barrie, Ont.;	meat	32,217
Ford Motor Co., Windsor;	commercial vehicles	75,000
Fort Garry Dyers, Winipeg;	clothing repairs	10,000
Gardner Engines Ltd., Montreal;	diesel generating sets	13,000
Gas Propane Sept-Iles, Que.;	propane gas	10,500
General Fire Service, Montreal;	ground fire fighting material	10,000
G. M., Oshawa, Ont.;	standard commercial vehicles	200,000
B. F. Goodrich Ltd., Kitchener, Ont.;	aircraft spares	23,930
Goodyear Tire & Rubber, Toronto;	aircraft spares	45,306
Gralf Trading, Montreal;	spares for wireless set	11,532
Gurney Products Ltd., St. Laurent, Que.;	gas ranges	17,501
Halifax Shipyards Ltd., Halifax, N.S.;	repairs to ship	18,125
Hammond Furn. & Storage Co., Vancouver;	mattresses	14,764
Hampton Mfg. Co., Quebec;	clothing	15,561
Hancock Tire Tread Ltd., Toronto;	aircraft tires	75,000
T. Hogan & Co., Halifax, N.S.;	docking and refitting of ship	51,419
Imperial Oil, Ottawa;	diesel fuel oil	323,785
Imperial Oil, Ottawa;	fuel oil	313,753
Imperial Oil, Ottawa;	petroleum products	620,074
Imperial Oil, Regina;	petroleum products	10,706
I.B.M., Ottawa;	rental of office equipment	31,650
Intl. Harvester Co., Hamilton;	commercial vehicles	75,000
Irving Oil Co., Saint John, N.B.;	petroleum products	25,940
Irving Oil Co., Saint John, N.B.;	fuel oil	62,800
Jamieson's Haulage, Glencairn, Ont.;	refuse disposal	38,400
Johnson & Johnson Ltd., Montreal;	medical supplies	17,407
Jolliffe Foam Rubber Ltd., Richmond Hill, Ont.;	mattresses	19,534
Kewanee-Ross Ltd., Toronto;	spares for ships' machinery	13,301
La Have Equip. Ltd., Bridgewater, N.S.;	aircraft crash cranes	115,575
La Laiterie Granger, St. Johns, Que.;	dairy products	18,564
Legrade Inc., Quebec;	meat	12,802
Linde Air Products Co., Edmonton;	oxygen gas	23,128
Lunenburg Fndry, Lunenburg, N.S.;	docking and refitting ship	89,062
McDonald & White, Riverside, Ont.;	paint	48,404
Manitoba Dairy, Winnipeg;	dairy products	17,935
McColl-Frontenac Oil, Winnipeg;	fuel oil	61,480
Minneapolis-Honeywell Regulator Co., Toronto;	repair and modification of electronic instruments and test equipment	250,000
Minnesota Mining, London, Ont.;	deck covering	19,937
Modern Packers Ltd., Montreal	meat	21,459
Moira-Schuster Ltd., Belleville, Ont.;	coal	10,850
New System Laundry, Saint John, N.B.;	laundry services	10,000
North Star Oil Ltd., Winnipeg;	fuel oil	21,888
N. Alberta Dairy Pool, Edmonton;	dairy products	75,411
Northern Electric Co., Ottawa;	radar equipment	75,411
Northern Electric Co., Ottawa;	teletype equipment	311,586
Northern Electric Co., Ottawa;	communication equipment	23,449
Northwest Industries Ltd., Edmonton;	electronic equipment	111,000
Ontario Laundry Ltd., Calgary;	laundry services	32,000
Pendrith Mach. Co., Toronto;	baking equipment	24,461
Penmans Ltd., Montreal;	clothing	43,007
Petroleum Solvent Corp., Montreal;	trichlorethylene	10,733
Photostat Corp., Toronto;	photographic supplies	32,000
Protective Plastics Ltd., Toronto;	soldiers' boxes	24,766
P.S.C., Toronto;	aircraft navigational equip.	110,648
W. A. Rankin Ltd., Ottawa;	hand tools	10,712
Rayonese Textile Co., Ste. Rose, Que.;	cloth	195,250
R. & E. Crushing Co., Nanaimo, B.C.;	supply & crushing of rock	20,500
Robinson Cotton Mills Ltd., Toronto;	cloth	14,525
Rogers Majestic Elect. Ltd., Leaside, Ont.;	communication equip.	19,275
J. H. Ryder Mach. Co., Montreal;	forklift trucks	14,139
Sask. Supply & Fuel Co., Saskatoon;	coal	11,600
Shell Oil Co., Toronto;	diesel fuel oil	75,375
Shell Oil Co., Toronto;	lubricating oil	12,430
Shel Oil Co., Toronto;	petroleum products	56,315
Geo. E. Shnier & Co., Toronto;	mattresses	19,477
Sinclair Radio Lab. Ltd., Toronto;	antennae	46,332
Spartan Air Services Ltd., Ottawa;	mapping survey	736,000
Sperry Gyroscope Co., Montreal;	aircraft instruments	32,381
Sperry Gyroscope Co., Montreal;	electronic modification kits	11,259
Standard Oil Co., Vancouver;	diesel fuel oil	28,700
Standard Oil Co., Vancouver;	lubricating oil	29,780
Stark Elect. Inst. Ltd., Ajax, Ont.;	electronic equipment	640,000
Steel & Engine Prod. Ltd., Liverpool, N.S.;	refitting of ship	37,447
Tip Top Tailors Ltd., Toronto;	clothing	19,908
Toilet Laundries Ltd., Montreal;	laundry and dry cleaning	10,000
Union Carbide Ltd., Toronto;	batteries	23,800
Norman Wade Co., Toronto;	photographic supplies	10,000
Western Flyer Coach Ltd., Winnipeg;	buses	233,220
Wheeler Airlines Ltd., Quebec;	charter of aircraft	91,032
Williams Tool Corp., Brantford, Ont.;	practice ammunition	52,039
Wind Turbine Co., Toronto;	electronic components	31,476
G. H. Wood & Co., Ottawa;	rubber matting	26,280
World Bulk Shipping Ltd., Montreal;	oil barges	185,220
Wrought Iron Range Co., Toronto;	kitchen equipment	13,789

Contracts awarded by Defence Construction (1951) Limited April 16-30, 1956

Contractor	Work description	Value
Alta Construction Co., Montreal;	headquarters building and gate houses — Montreal	$ 73,100
Barclay Construction Co., Hamilton;	fire hall extension and outside services — Camp Borden, Ont.	39,402
Barnett-McQueen Co., Fort William, Ont.;	range—Port Arthur, Ont.	16,500
Berge & Kavanagh Ltd., Vancouver, B.C.;	painting of buildings —Chilliwack, B.C.	11,077
Buchanan Const. Engr. Co., Edmonton;	repairs to armoury — Edmonton	18,969
Central Bridge Co., Trenton, Ont.;	structural steel and steel joists for junior ranks buildings — Camp Borden, Ont.	28,270
Desourdy Freres Enr'g., St. Jean, Que.;	transmitter station — St. Jean, Que.	139,580
Charles Duranceau,	reconstruction and surfacing of roads compounds and parking areas — Lachine, Que.	35,200
Ellis-Don Ltd., Calgary;	warrant officers' and sergeants' quarters, warrant officers' and sergeants' mess, administration building, water and sewer services — Sarcee Camp, Alta.	840,560
Thomas L. Grooms Const. Ltd., Kingston, Ont.	alterations to laboratory building — Barriefield, Ont.	19,970
Les Peintres de Chez-Nous Enrg., Ste Anne du Bocage, N.B.;	exterior painting of permanent married quarters — Chatham, N.B.	10,113
Otis Elevator Co., Ottawa, Ont.;	elevator — Ralston, Alta.	18,640
Pioneer Paving Ltd., Calgary;	parade square — Calgary	44,759
Swanson Construction Co. Ltd., Winnipeg, Man.;	ground services for garage — Winnipeg, Man.	111,082
W. C. Wells Const. Co., Saskatoon;	extension of underground steam system to buildings — Saskatoon.	28,664
Norman H. Woods & Associates, Vancouver, B.C.;	landscaping — Calgary, Alta.	98,544

Shawinigan Power Looks For Rain

MONTREAL (Staff)—Shawinigan Water & Power Co. has had to draw heavily on water reserves in the St. Maurice Valley reservoirs and is hoping that rainfall will be sufficient to offset the drain.

Company increased its power purchases from other sources to conserve its water supplies, but it still had to deplete its water reserves to supply the primary load during the winter months, company reports. Snow fall was comparatively light in the early part of the winter, and the spring breakup was unusually late. However, it is hoped there will be normal precipitation during the melting period which will provide a satisfactory replenishment.

Production at the Shawinigan Falls plant of Shawinigan Chemicals Ltd. was at a high level during the first quarter with sales and earnings being maintained at approximately the same rate as in the latter part of 1955.

Canadian Resins & Chemicals Ltd. operated at nearly full capacity and sales were holding up well. Business of B-A-Shawinigan Ltd. and St. Maurice Chemicals Ltd. was termed "satisfactory." Installation of additional equipment at the St. Maurice plant is proceeding on schedule.

Shawinigan Engineering Co., a wholly owned subsidiary, besides designing and building the new Sans Nom development, is currently occupied on a number of other large projects, both for the company and outsiders.

In the first quarter of 1956 company earned 98c per common share outstanding as at March 31 and paid 45c in dividends. This compares with earnings of 70c per share and payments of 30c in the corresponding period last year.

Bulloch's Net Jumps 51%

Bulloch's Ltd., Winnipeg, net profit for the year ended Feb. 29, 1956, jumped 51% ahead of previous year to $117,208 from $77,631.

Sales reached a new record. Company continued to sell oil-fired and coal-fired warm air heating units in volume, but major sales expansion was in gas-fired furnace line, reports President T. H. Bulloch in company's first annual report.

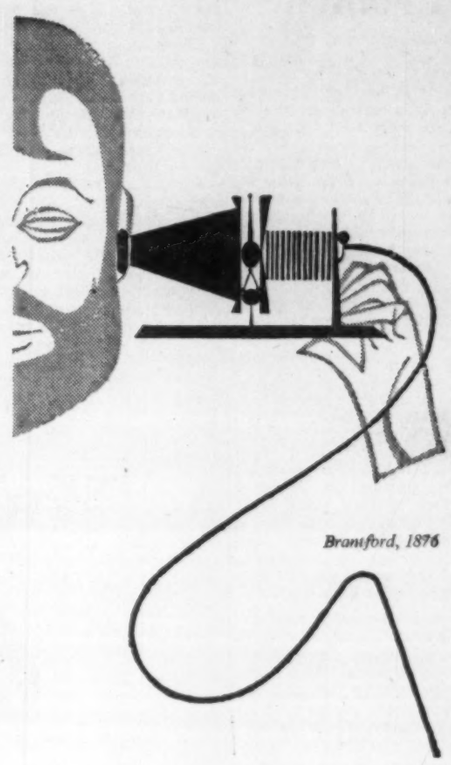
Capital expenditures amounted to $78,909 but no large expenditures are planned for current year. New warehouse next to plant will enable Bulloch's to level out production by providing storage for finished products prior to sales, which are seasonal.

Company says this year's outlook is promising. There will be a large potential market for company's gas-fired furnaces in B. C. upon completion of Westcoast Transmission's pipeline from Fort St. John, B.C., to the international border south of Vancouver in 1957. Also Saskatchewan Power Corp. intends to supply Moose Jaw, Swift Current, North Battleford and several smaller centres with natural gas this year.

Bulloch's says investment in design and development of gas-fired furnaces will greatly aid it in competing in these new markets. It believes it will retain full sales share of coal- and oil-fired furnaces in areas not slated for natural gas service.

In February, 1956, company issued 20,000 Class A common shares for $140,000 cash.

Capitalization outstanding at year-end included 59,500 Class A common shares and 55,300 Class B common shares.



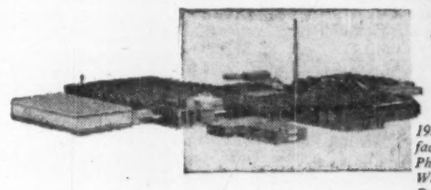
Brantford, 1876

Canada's first...

In a shoe store in Paris, Ontario, Alexander Graham Bell, waiting nervously with his new invention pressed tightly against his ear . . . heard his father's voice, carried by wire from Brantford— a distance of five miles! This was the world's first long distance telephone call . . .

. . . In a few short years this infant industry was to reach major proportions. And in 1889, to supply it with wire and cable, the Eugene F. Phillips Company was formed in Montreal. This was Canada's original wire and cable company. Today, the Phillips organization is still ahead—with the most complete range of wires and cables in Canada.

1889—Original factory of the Eugene F. Phillips Company in Montreal.



1956—Present factory of Phillips Wires & Cables in Brockville.

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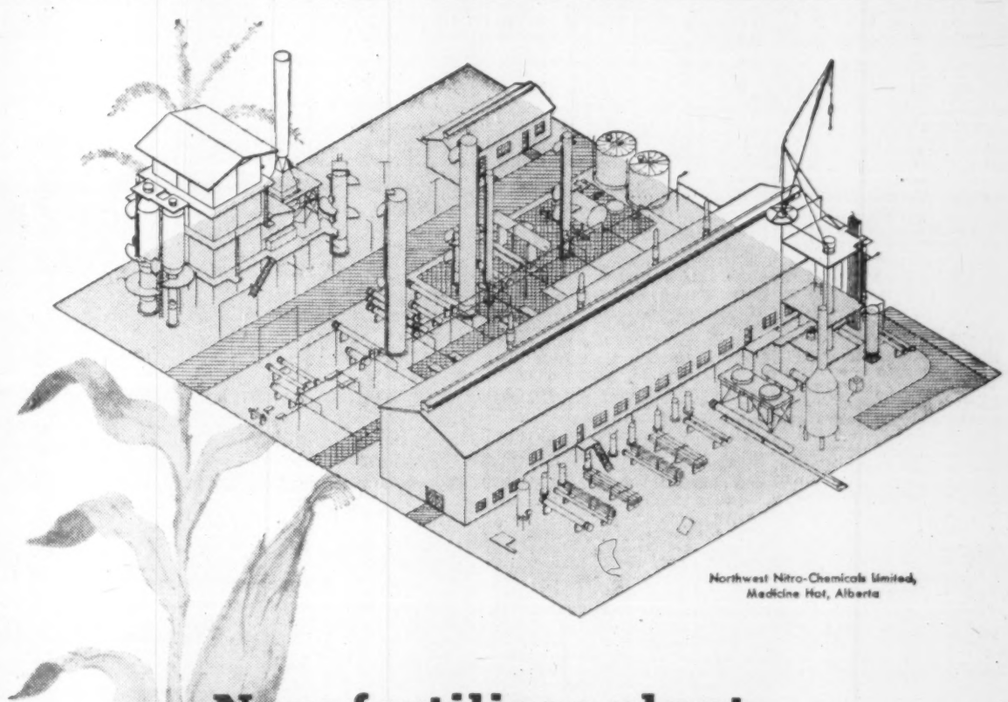

New fertilizer plant to meet growing needs

Even the rich Canadian prairie lands must be fertilized to be farmed efficiently and to produce the maximum yields per acre. Soon the new Northwest Nitro-Chemicals Limited fertilizer plant will take natural gas from the prairies of Western Canada and manufacture it into fertilizers for our Western farmers. Canadian Kellogg has been assigned the responsibility of designing, engineering and constructing the ammonia plant and other important sections of this large facility.

Based on its vast experience and background in the petro-chemical industry, Kellogg can now offer four basic processes for producing ammonia, the starting point for manufacturing most nitrogen bearing fertilizers. These four basic processes can utilize a variety of gas, refinery off gas, crude oil, coke oven gas and other hydrogen bearing materials. A booklet on these processes will be sent on request. Your inquiries on ammonia and other petro-chemical or petroleum projects are invited.

These are a few of the companies with whom Canadian Kellogg has worked—

British American Oil Company Ltd.
Canadian Oil Companies Limited
Canadian General Electric Co. Ltd.
McColl-Frontenac Oil Company Limited
Nova Scotia Light & Power Company
Babcock-Wilcox & Goldie-McCulloch

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How To Save Small Business

Credit, Technical Help Part Of U. S. Aid To Firms

That corner grocery that folded in your neighborhood was no isolated business failure — it was part of the continuing pattern of absorption of small businesses that has been going on since the '30s. The big question: How far should it go? Wendell B. Barnes, administrator of the Small Business Administration in Washington, told the Canadian Wholesale Grocers Association in Toronto recently some of the concrete steps being taken in the U. S. to deal with the problem. Here's some useful background for your thinking on the subject:

By WENDELL B. BARNES

Concern over the welfare of small business is not new to the U. S., it goes back to colonial times. Here is the root of the problem: The little fellow must not be unfairly squeezed out. He must have a fair chance, an opportunity to grow and prosper.

The Small Business Act of 1953 that created the Small Business Administration sets out Congressional policy: "The Government should aid, counsel, assist and protect insofar as possible the interests of small-business concerns in order to preserve free competitive enterprise, to ensure that a fair proportion of the total purchases and contracts for supplies and services for the Government be placed with small-business enterprises, and to maintain the strength and over-all economy of the nation."

The Small Business Administration carries on four major activities to discharge the responsibilities outlined in this policy:

—We help small firms gain adequate credit at reasonable terms.

—We help small firms obtain a fair share of government contracts.

—We help with management and technical problems.

—We make disaster loans at 3% interest to home and business owners who are victims of natural catastrophes.

As a rough rule of thumb the median separating small from large business in manufacturing is taken to be whether a firm employs less than 500 people. This varies, of course, with industries.

A wholesale firm is small with annual sales of $5 millions or less, a retail store or service business is small with annual sales or receipts of $1 million or less.

Credit Program

In our credit program, we counsel small firms on their financial problems, assist in obtaining credit from private sources and if private credit is unavailable at reasonable rates, we extend financing. We are authorized to make both loans in participation with private lenders and direct loans if participation loans are unavailable.

There is a $250,000 limitation on these loans although we may make larger loans to corporations formed by smaller business concerns for the purpose of producing or securing raw materials or supplies up to a maximum equal to $250,000 multiplied by the number of small businesses in the corporation.

In a typical loan situation, the borrower has a good record, his management has been competent and he is able to show the loan should result in increased earnings so he can repay on schedule. About two thirds of our loans have been of the bank-participation type.

Around the first of the year we put a new type of loan program into operation to provide term credit for the very small wholesaler, the retail shop and the small service establishment. A bank must take at least a 25% share, loans may run as long as five years and interest cannot exceed 6%. The government share is limited to $15,000 or 75% of the total, whichever is smaller.

These loans are providing the really small firms with a ready source of credit for expansions, for working capital, for fixing up his place—and he is building up his line of credit with his local bank at the same time.

Government Contracts

Our second major assistance is helping obtain a fair share of government contracts for small firms. We have assigned representatives to the principal U. S. Government purchasing centres to review proposed purchases and to determine, in co-operation with contracting officers, which orders should be set aside entirely or in part for award to small business.

In management and production problems, our program is largely educational, designed to help a businessman fill in the gaps in his knowledge and experience, and acquire a better grasp of over-all business administration.

We are sponsoring small business administrative management courses in co-operation with leading educational institutions and provide firms with four series of publications dealing with important management, technical production and marketing problems.

As administrator of the Small Business Administration, I am a member of the Attorney General's National Committee to Study Anti-trust Laws. Protection of small business has been a determining factor in making recommendations to preserve competition and freedom of entry into the market.

Our products assistance program is designed to supply the need for research facilities by providing small businesses with information and data on product research including product development and marketing, possible new products, inventive ideas, unpatentable ideas, government-owned patents, privately owned patents, product redesign and new processes.

Our work, despite the small size of our agency, is effective. It is effective because we seek to supplement and help give direction to the efforts of other U. S. government agencies and because we utilize, wherever we can, the services of private enterprise.

Consumers' Gas Builds Up Load

"Today we have 14,336 house heating customers compared with 4,667 a years ago," Oakah L. Jones, vice-president and general manager of Consumers' Gas Co. of Toronto stated in a recent letter to customers, shareholders and employees.

In addition to residential sales, the company has been actively engaged in obtaining commercial customers as well as a number of large industrial customers who use natural gas for heat treating, brick-making, baking, making soaps and detergents and other products.

To further develop its markets, particularly the commercial and industrial accounts so important in summer months when there is no house heating load, the company recently acquired metered gas properties in Oshawa, Bowmanville and Whitby. A majority stock interest has also been purchased in Provincial Gas Co., which operates in the Niagara Falls, Fort Erie and Welland area where there are great residential, industrial, agricultural and tourist opportunities.

"We feel that these acquisitions were in line with our over-all load building policy, and when considered along with plans for expansion into Thornhill, Richmond Hill, Markham and Pickering this summer, and prior expansion into Brampton, Streetsville and Cooksville, should prove advantageous to our customers, employees and shareholders," Mr. Jones said.

Consumers' Gas recently completed a contract with Trans-Canada Pipe Lines for transportation through the Niagara pipeline of the gas required by Trans-Canada for its proposed Montreal market. Company is now negotiating a contract with Trans-Canada for purchase of western Canadian gas upon completion of the all-Canadian gas line.

Despite two gas rate reductions gas sales revenue in the five-month period ended Feb. 29, 1956 showed a 7.6% increase over corresponding period of last year ($6,713,037 as against $6,236,520). Net earnings for the five-month period ended Feb. 29, 1956 was $954,455. This covered the period of heaviest winter consumption. The comparable figure for corresponding period of previous year is not available. The operating figures are contained in the recently issued prospectus in connection with the $10-million offering of 4¾% sinking fund debentures.

Seven Scholars Win Fellowships

Studies of nuclear reaction and the life and thought of Protagoras of Abdera are among the seven Canadian fellowship awards announced recently by the John Simon Guggenheim Memorial Foundation of New York.

Value of the awards, each varying according to individual requirements, totals more than $25,000 this year.

The winners and subjects:

Margaret Kirkland Avison, Toronto, for creative writing in poetry.

Dr. Kathleen Coburn, professor of English, University of Toronto, studies of the notebooks of Samuel Taylor Coleridge.

Dr. E. L. Fackenheim, assistant professor of philosophy, University of Toronto, studies in the development of religious philosophy from Kant to Kierkegaard.

Dr. J. D. Jackson, associate professor of applied mathematics, McGill University, a theoretical study of nuclear reactions.

Dr. Gustave Lanctot, honorary professor of history, University of Ottawa, studies on the influence of the American Revolution on the people of Canada.

Dr. T. J. Oleson, associate professor of history, University of Manitoba, a study of the life and times of Edward the Confessor.

Dr. L. E. Woodbury, associate professor of Greek, University of Toronto, a study of the life and thought of Protagoras of Abdera.

ANNOUNCEMENT

L. W. TOWNSEND, O.B.E., M.C.

who has been appointed a director and member of the executive committee of The Wabasso Cotton Company Limited. Recently retired as senior assistant general manager of the Bank of Montreal, Mr. Townsend is also a director of Woods Manufacturing Company Limited.

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Polymer Announces New Scholarships

New scholarship awards totalling $8,750 have been announced by Polymer Corp. of Sarnia to assist employee families and persons interested in a teaching career.

Two of the awards, each for $1,000 a year for four years, are to be open to children of company employees entering university in 1956. The scholarships, tenable at any recognized Canadian university, will give preference to candidates having science and mathematics options.

The third award, worth $750, is open to a 1956 university graduate resident in Lambton County. Eligible applicants are expected to be prepared to teach mathematics or science in a secondary school on graduation from Ontario College of Education.

Company Reports

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

Food

BOWES CO., Toronto, consolidated net profit for 1955 showed a 36.5% gain over 1954 ($414,385 vs. $303,543).

Bowes disposed of its original warehouse buildings in Toronto and its interest in a subsidiary, reports President A. W. Baillie. It also redeemed 8% of issued and outstanding preferred stock.

Watt & Scott (Montreal) Ltd. purchased all outstanding shares of Watt & Scott (Toronto) Ltd., whose results are included in consolidated statement.

This March company redeemed 13% of outstanding preferred stock.

CONS. INCOME ACCOUNT

Years Ended Dec. 31:	1955	1954
Net earnings*	$873,391	$667,757
Less: Depr.	117,638	109,896
Income tax	340,797	253,857
Min. int.	571	461
Net profit	414,385	303,543
Less: Pref. divd.	12,340	13,413
Com. divd.	58,412	.....
Surplus for year	343,633	290,130

*Not incl. earnings of York Trading Ltd.

Earnings per Share and Dividend Record:		
Preferred	$0.34	$0.23
Paid	0.01	0.01
Common	3.44	2.48
Paid	0.50	....

CONDENSED CONS. BALANCE SHEET

As at Dec. 31:	1955	1954
Cash	$9,698	$151,444
Accts., etc., rec. less res.	1,468,609	910,753
Inventories	2,747,420	3,277,297
Total curr. assets	4,223,727	4,339,494
Misc. assets	54,432	45,922
Invest. in sub.	.....	209,481
Fixed assets*	1,191,863	1,034,559
Patents, etc., less w/o	24,739	24,739
Total assets	5,496,761	5,654,195
Due bank	359,178	1,521,916
Accts., tax., etc., pay.	959,169	992,243
Total curr. liabs.	1,318,347	2,514,159
Minor. int.	6,083	5,742
Funded debt	111,898	121,709
Capital stock	1,272,958	1,380,229
Earned surplus	2,787,475	1,632,356
*After depr. of	616,407	647,809
Working capital	2,907,380	1,825,335

MARVEN'S LTD., Moncton, N.B., consolidated net profit for 1955 was $12,523, 39.8% lower than net profit of $20,800 for 1954.

CONSOL. INCOME ACCOUNT

Years Ended Dec. 31:	1955	1954
Net earnings	$170,298	$153,194
Less: Deprec.	99,664	112,670
Bond int.	10,380	10,860
Inc. tax	47,731	6,864
Net profit	12,523	20,800
Times Bond Interest Earned:		
Before deprec.	16.41	14.11
After deprec.	6.80	3.73
Earnings per Share:		
Class A	$0.21	*$0.31

*Approx. earnings after allowing for estimated pref. divds.

CONDENSED CONS. BALANCE SHEET

As at Dec. 31:	1955	1954
Cash	$33,872	$70,558
Accts. rec. less res.	337,759	344,911
Inventories	556,724	573,993
Total curr. assets	928,355	989,462
Deferred assets	41,629	161,703
Due from assoc. co.	130,770	.....
Fixed assets*	643,970	728,358
Goodwill	33,037	33,037
Total assets	1,777,761	1,812,560
Due bank	.....	72,901
Inc. tax accr.	30,093	28,068
Accts., etc., pay.	268,471	160,322
Total curr. liab.	298,564	260,991
Collision insur.	.....	439
Funded debt	207,125	218,125
Capital stock	25,000	64,000
Capital surplus	2,802	1,269,005
Earned surplus	1,244,270	
*After depr. of	1,002,492	939,242
†$25,438 of, which incl. in curr. assets in co's report.		
Working capital	629,791	728,471

PARK TERRACE APARTMENT BUILDING, TORONTO
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3. Maintenance—As the flow of steam is steady and continuous, the sudden expansion and contraction which strains piping and leads to costly repairs is eliminated.

4. Cost—Owning and operating a Dunham Vari-Vac System is comparable to, and in most cases lower than, that of either hot water or ordinary steam systems. Employment of the principle of "cool steam", with no over-running of temperatures, ensures lower fuel bills.

For more complete information, write for a free copy of "A Quick Briefing on Dunham Vari-Vac Differential Heating".

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Where's The Best Place To Live?

In Toronto (and freeze in winter)? Florida (broil in summer)? California? An Ontario farm? This question nagged Canadian-born Robert T. Allen like a toothache for years.

June Reader's Digest condenses his new $3.50 book "The Grass is Never Greener"—a hilarious report of his "research" in looking for the ideal place to live, and how he comes up with a definite answer. Or does he? Get your June Reader's Digest today: 38 articles of lasting interest condensed to save your time.

Here's Your 1965 Market

- Figures Indicate Booming 'Baby' Market
- Major Increases In Buying Power Seen
- More Money Will Go Into Leisure Goods

Canada's population is forecast at more than 19 million by 1965, an increase of some four million over current totals. The change is going to affect your business, particularly if it caters to specific age groups.

Here's the detail of the expected increase in seven major age classifications:

Preschool (0-4 years): This is the forecast, reflecting expectations of a continuing baby boom:

0-4 Age Group		
1955	M	997,900
	F	956,500
	T	1,954,400
1965	M	1,169,800
	F	1,110,000
	T	2,279,800
Increase:	M	171,900
	F	153,500
	T	325,400

Significance: Continued high demand for infant food, clothing, vitamins and other food supplements, toys. Coupled with the current trend to urban living, higher family income and living standards, the baby boom will also mean solid demand for new homes, automobiles and will contribute to support of parks and playgrounds, landscaping, other businesses such as wading pools, picture books, children's records. Increasing number of working mothers will push further the current trend to organized day nurseries, baby-sitting agencies, provide more new jobs for part-time students, oldsters.

Elementary School (5-14 years): Zooming birth rates since the 1940s contributed to the population crest in this age group, expected to hit its peak about 1960-1961 and hold its high level well past 1965. This is what is expected:

5-14 Age Group		
1955	M	1,520,700
	F	1,457,900
	T	2,978,600
1965	M	2,115,100
	F	2,027,100
	T	4,142,200
Increase:	M	594,400
	F	569,200
	T	1,163,600

Significance: (1) Continuing heavy demand for schools, playgrounds, housing and services requiring heavy capital investment—thus probable heavy tax pressure in urban areas and their surrounding suburbs where young population is concentrated.

(2) Big and growing market for children's clothes, school supplies, sporting goods, TV sets, dental and medical supplies, toys, other equipment needed to outfi. and maintain the quick-growing child.

(3) Opportunities for hundreds of new or additional businesses designed to handle care and training of school-age children—day schools, summer camps, similar organizations both public and commercial. Growing family income will make possible spending for services on a scale hitherto unknown.

High school, college and marriage (15-24 years): These persons comprise the first wave resulting from the wartime jump in birth rates. In the next 10 years they'll be spilling into colleges and universities from high school, marrying and starting their families. Probable totals:

15-24 Age Group		
1955	M	1,148,500
	F	1,126,200
	T	2,274,700
1965	M	1,572,900
	F	1,506,000
	T	3,078,900
Increase:	M	424,400
	F	379,800
	T	804,200

Significance: This 804,000 increase accounts for much of the continuing up tempo in birth rate forecast in the 0-4 years category. For the businessman it promises continued growing markets for new housing, furniture, appliances, hardware, automobiles. With rising incomes, it also can be expected to boost various specialty lines including books, records, sporting goods, do-it-yourself equipment. Expected higher percentage attending college will mean demand for expanded school facilities, more teachers and supplies.

Junior executives (25-34): Low depression birth rates make their impact felt in this age group which will show the smallest net increase of all age categories during the next 10 years. The forecast:

25-34 Age Group		
1955	M	1,180,200
	F	1,195,600
	T	2,375,800
1965	M	1,317,700
	F	1,269,600
	T	2,587,300
Increase:	M	137,500
	F	64,000
	T	201,500

Significance: For the next 10 years there'll probably be a continuing shortage of skilled labor, professional personnel, other employees needed for expanding industry. It will mean higher incomes for this age group leading to bigger spending on luxury goods, other high-price merchandise. Relatively smaller numbers will offset some of the increased market in the 15-24 bracket for automobiles, houses, other hard goods. Some economists speculate that the population squeeze in this bracket will speed trend to mechanization of business, industry, ease transition problems.

Top wage earners (35-54): Big growth expected, partly the result of fast population growth and high birth rates of First World War an. early 1920s. Expected increase:

35-54 Age Group		
1955	M	1,877,100
	F	1,805,000
	T	3,682,100
1965	M	2,373,900
	F	2,362,700
	T	4,736,600
Increase:	M	496,800
	F	557,700
	T	1,054,500

Significance: Major increases in buying power are indicated for the next 10 years. This group accounts for close to 50% of income in Canada, including the majority of top-rate salaries. They're the major market for hard goods, luxury spending, recreation equipment, and tourist spending, medium-to-high price homes. Roughly 20% of total population will be in this age bracket in 1965.

Senior personnel (55-64): Smaller-than-average growth is expected since immigration won't swell the totals very much. Major additions to this age bracket are not expected to show until after 1965.

55-64 Age Group		
1955	M	586,100
	F	570,900
	T	1,157,000
1965	M	752,900
	F	737,900
	T	1,490,800
Increase:	M	166,800
	F	167,000
	T	333,800

Significance: Since most families in this age section have debt-free homes, grown children, they'll be spending more of their income on hobbies, recreation, other leisure time items. With some 60% of the group home owners, they are important market for maintenance and repair businesses. Extra spending is also earmarked for medical care, drugs, etc. Growth figures indicate steady growth in potential business available from this group.

Retired (65 and over): Relatively small total population at the turn of the century is the main contributing factor to the lower-than-average increase anticipated for the category. Additions are related to steady extension of life expectancy in Canada.

65 and over Age Group		
1955	M	609,900
	F	601,600
	T	1,211,500
1965	M	699,900
	F	772,900
	T	1,472,800
Increase:	M	99,000
	F	171,300
	T	270,300

Significance: Businesses specializing in geriatric foods, old-age care, won't get major market growth until after 1965. Increases during the next 10 years will be gradual, allowing time for product development, test marketing, research into new products for sale later to a much faster-growing age category. Income available for spending will increase as private and government retirement benefits increase, more pension plans come into effect.

Getting Ahead

Astute businessmen plan for success; they read The Financial Post because it helps them make right decisions. Yearly by mail in Canada, $6; elsewhere $7 yearly.

Canadian Oil Now Threat, U.S. Oilmen Shout 'Stop'

Special Correspondence

WASHINGTON—A barrage of protest has been let loose here at the increasing U. S. imports of oil from Canada and other parts of the world.

The complaint was voiced by the Independent Petroleum Association of America.

Association President Robert L. Wood said he has been promised by government officials that the complaint will be considered by the Advisory Cabinet Committee and will be studied immediately by Office of Defense Mobilization Director Dr. Arthur S. Flemming.

Three weeks ago, Flemming announced he was continuing his policy of voluntary restrictions on oil imports, with specific exemptions for oil from Canada and Venezuela and oil going into the West Coast.

The Petroleum Association said Canadian exports of oil to U. S. have increased 1,300% in the past two years. Exports to the U. S. from the Middle and Far East were up 36%, the Association said, and up 26% from Venezuela.

In the past, the Association has made passing comments on Canadian oil exports to U. S. but has not considered it a major threat. Now, the organization appears to feel Canadian oil imports are becoming a serious problem for domestic producers.

It says that in 1954 there were 7,000 bbl. of Canadian oil coming into U. S. daily. In 1955 the figure shot up to 46,000 daily. This year, the Association says, plans are for a daily average of 98,000 bbl. of Canadian oil.

The Petroleum Association is asking the government to slap on restrictions to hold back the fast-rising Canadian oil imports, and imports from other areas as well.

U. S. Syndicate In Vancouver Deal

From Our Own Correspondent

VANCOUVER—An investment syndicate headed by Dr. Simon Garter and Dr. Monroe S. Friedman, San Francisco, has bought the B. C. Electric Co.'s building here for $700,000.

The property, home of the company for 45 years, is to be remodeled and modernized and will accommodate stores and offices. But work must be delayed till the B. C. Electric staff moves into its new headquarters due for completion next year.

The same syndicate which bought the B. C. Electric building recently purchased the Standard Building in this city.

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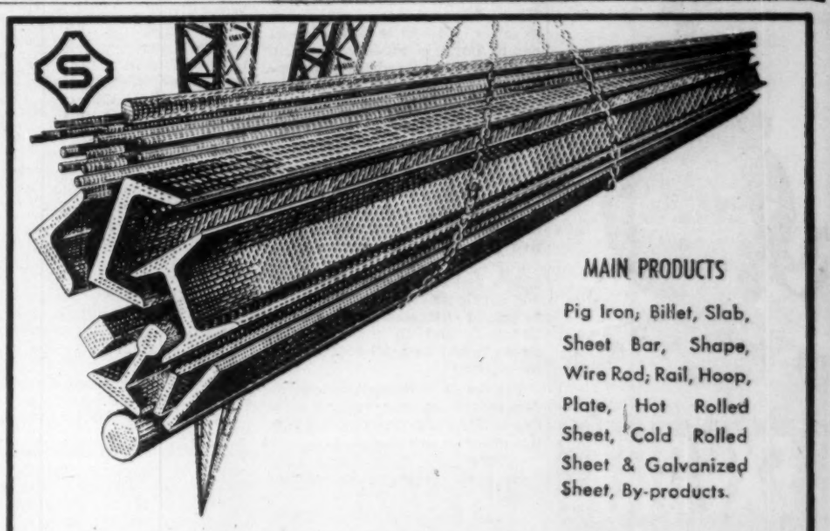
The Rev. C. W. Sowby, M.A., D.D., Principal



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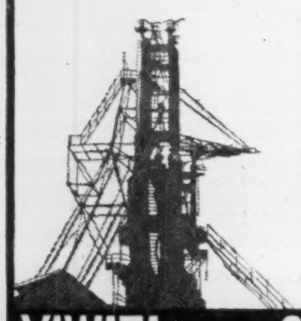

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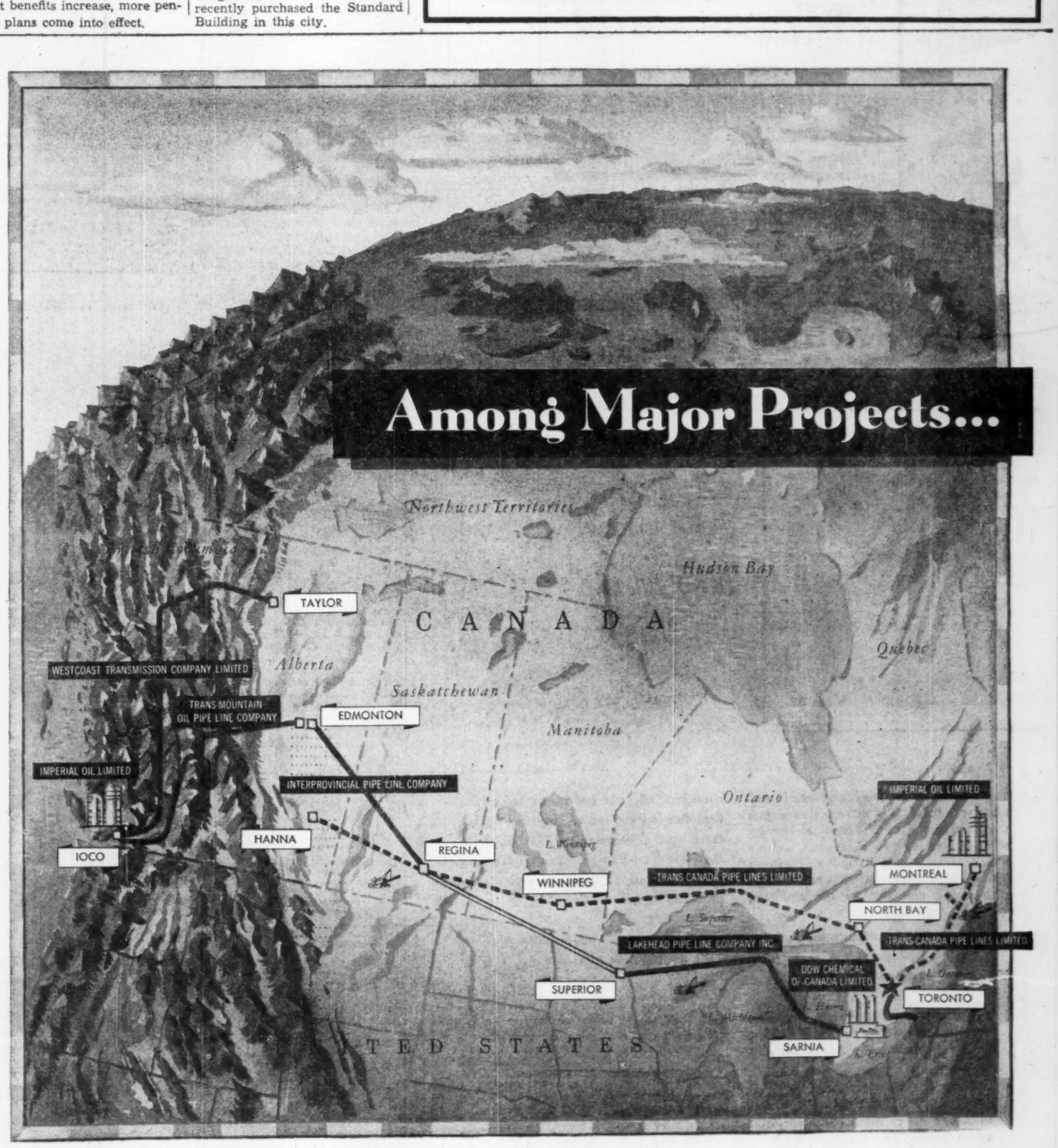

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CANADIAN BECHTEL LIMITED

Toronto, Vancouver

The Financial Post

Vol. L | Publication Office: Toronto, June 9, 1956 | No. 23

The New Japan Driving Hard for Healthy Trade

Give some thought to doing business with Japan. It's a country for Canadians to reckon with both as a market and salesman in our own backyard.

You can expect this:

- **Surprisingly good quality merchandise, competitive with some of the best Canadian manufacturers have to offer.**
- **Razor-sharp businessmen. They'll probably be more polite than any you currently deal with.**
- **Growing markets for Canadian goods, particularly raw materials, specialized machinery, technical equipment.**

That's the picture in brief. It reflects the impact of a postwar Japan anxious to integrate its economy with the rich North American market, constantly on the lookout for outlets not likely to be plugged by tariff barriers. On this and following pages The Financial Post presents a special report on the New Japan.

Veterans in the Japan trade agree that Canadian businessmen can reap rich harvests if current trends continue.

The main reason is the shifting pattern of the total trade out of lines competing directly with Canadian manufacturers into new ones that are either undeveloped or uneconomic here so far. That's why, for example, steel casing pipe for oil wells, bauxite alumina, toys, optical supplies and Mandarin oranges now are big items in the roughly $40-$45 million or more worth of Japanese goods expected to be imported this year.

"The pattern of our trade with Canada is showing signs of shifting to heavy goods," Japanese Consul Kenzo Yoshida told The Financial Post. "Textiles are the only article over which there is some trouble, and this is more a fear for the future than of present Japanese imports.

"Our tourist trade is also growing rapidly, helped in part by the increase in the number of Canadian businessmen who are making trips to the Orient. And on the other hand, more Japanese merchants are seeking to buy goods from Canada, particularly raw materials."

"Business with Japan is definitely improving," comments a large-scale Toronto retailer. "The manufacturers have learned since the war not to downgrade their wares. Most of their products are in good style, show excellent workmanship and are at highly competitive prices.

"But to deal there you need good buyers for negotiating purchase orders and either a representative or agent on hand in Japan to examine goods and check to make sure delivery dates are kept. Right now, all foreign markets are busy and you have to keep up the pressure to make sure delivery and specifications are met."

On the other hand, some merchants are frankly pessimistic.

"The Japanese are up against a tough problem at the moment," commented a retail executive recently returned from a trip to the Orient. "Basically, it is artificial for them to trade with the West in many of their manufactured goods, since they have to overcome serious problems in distance and style, European competition and tariffs. There is no question but that their natural market lies with China and Russia.

"Much of current business is shaped by political considerations rather than economics.

"Perhaps in time the country will develop new products as it becomes westernized and its own local markets provide sufficient demand to support establishments of new productive facilities."

Nonsense, replied another wholesale house executive. "There are a lot of things the Japanese can make very well to sell in Western markets. Roughly one third of their production goes for domestic needs, one third for the Far East and one third to Western world customers. We do a big business selling goods to Japan; we have to buy from them, and profit from it, to make this possible."

Range of products is growing steadily. A typical selection: Grass and hooked rugs, wickerware, novelty handbags, binoculars, cameras, toys, gloves, sweaters, chinaware, novelty pottery, housewares, textile piece goods, canned salmon and tuna, shrimp, nuts, steel plate and finished goods, cut glass, plywood, electro-plated wire.

Biggest attention-getters now are cameras, textiles and china.

Starting last year, cameras and photographic accessories came into the Canadian market in a big way, reaching a value of more than $400,000. Together with binoculars and other optical equipment (also over the $400,000 marks in 1955) they represent the development of a major and quality industry in Japan as a result of wartime research and developments. Retailers say the products compare favorably with middle-price German goods.

Textile lines such as shirts and blouses have been attacked by some Canadian manufacturers as unfair and cut-rate competition threatening to engulf the whole Canadian market. Easing hot feelings was adoption of a quota system by the Japanese Government last November which set a limit on total sales allowed in Canada and elsewhere. Current dispute now is over the size of the quota.

In Heavy Equipment Field

Heavy equipment manufactured in Japan is starting to edge into world markets.

Typical is shipbuilding where several Canadian companies have placed orders with Japanese yards in the last year, including a 35,550-ton ocean-going tanker for Imperial Oil's subsidiary Caribbean Oil & Transport Inc.

The Imperial ship, ordered from Mitsubishi Shipbuilding & Engineering Co. of Nagasaki at a cost of $5 million, is scheduled for early 1957 completion to carry crude to East Coast refineries. Company officials said the Japanese firm got the contract in worldwide competitive bidding.

"Their bid was for quicker completion by one to 1½ years at a price 10% below the average," one official told The Financial Post. "Work is progressing on schedule and we are well satisfied."

A short salmon pack in Canada's west coast fisheries is contributing to a big jump in sales of Japanese canned fish here this year. Most of the larger Canadian packers are selling the fish under their own label as a stop-gap measure. Salmon imports are expected to run as high as 200,000 cases alone.

"Some salmon is being sold directly under Japanese labels, but most of it is being handled under nationally advertised brands," a major food importer told The Financial Post. "Consumer acceptance is good, although some people claim the fish has a slightly different flavor. The current big market probably will ease off quite a bit when regular Canadian fishing operations get under way on a normal basis."

Other food items: Tuna, expected to run slightly higher than last year's 1.4 million lb.; shrimps, now appearing on the market to challenge U. S. imports; Mandarin oranges which have built up a steady market of about $1.4 million a year; tea, with market growth expected as production of black tea picks up over the traditional green variety.

Luxury goods are selling well, particularly in the new specialty stores being opened in Toronto, Montreal, Vancouver and other larger cities. Spurred by popularity of Japanese themes for interior decorating, ornamental lamps ($3-$25), fine porcelains (up to $50), artistic screens ($200 up), lacquer and bronzeware ($5-$50) and fine silk fabrics are being imported.

"They sell very well and are of excellent quality," a specialty shop owner comments. "More people who want to try something different from standard furnishings are buying various foreign goods. Our Japanese-made lines rank among the best sellers with Scandinavian merchandise."

An off-beat item is earning profits on the culture circuit. Managers of Canadian art film houses such as the Towne in Toronto report "fair" to "good" grosses from Japanese films, several of which have won awards in international competitions.

Toys have always been an important commodity. Sales for 1955 to Canada amounted to $2 million and are expected around the $2.5-$3 million level this year. An important development since 1954 has been in mechanical toys, made for both low and medium-price markets.

For future business keep an eye on electrical manufactures. Business with Canada so far is small, well under $1 million a year, since models and styles now being made are generally unsuited to Canadian needs. But several Canadian companies are showing interest in Japanese production if necessary changes can be made in equipment specifications. The reason: Manufacturing costs in Canada are being pushed to record levels by fast-rising materials and labor costs—use of some imported components, if the price is right, could help get them back into line.

Some Precautions

If you're planning to take a flier at the Japan trade, experts recommend these precautions:

(1) If you can afford it, and are planning major purchases send a trained buyer to Japan, otherwise stick with established import houses here.

(2) Make sure of all specifications; write them in the contract.

(3) Insist on adequate supervision. If dealing through an importer check with him regularly on manufacturing, packing and shipping progress.

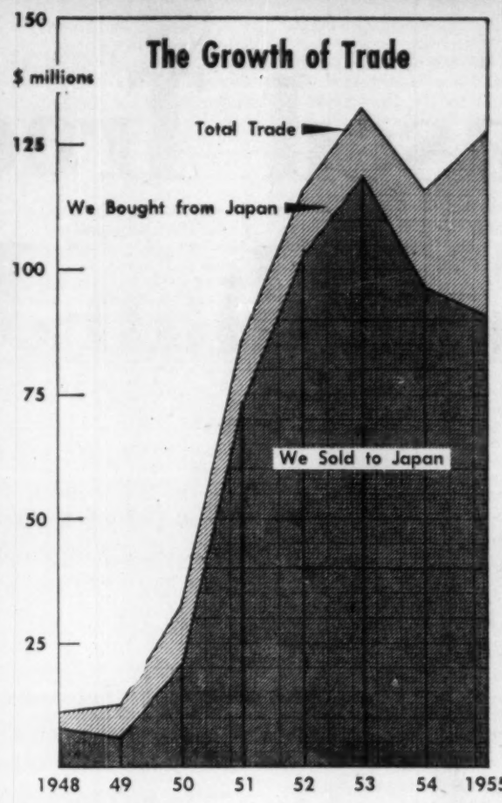
(4) Watch customs requirements—material used for packaging is assessed varying duties. Advance knowledge can ensure the lowest rate charge.

"The Japanese manufacturer is not a salesman like his Canadian counterpart," one company buyer said. "You usually deal through the large trading companies. It often helps a lot to talk with the manufacturer direct wherever possible, so that actual costs and your needs and specifications are clearly understood.

"Most people we deal with are very cooperative. The trading companies are good and sharp businessmen. Only thing we've had to watch is a pileup of intermediate profits from routing goods through four or five hands. You get what you purchase but you have to go after it."

"The first step should always be to check with the Canadian trade office in Japan," advised another official. "There is a competent staff there and they can direct you to good buying agents, advise on most effective procedures and help in a dozen other ways."

The Pattern of Our Trade with Japan



Principal Items in 1955

Canada bought

Casing—gas, water or oil well	$13,445,431
Plywood	1,446,947
Oranges, mandarines, fresh	1,367,060
Bauxite alumina for refining	1,285,226
Mechanical toys, metal	1,121,190
Gloves & mitts, wool	933,576
Electroplated gilt ware	826,345
Toys, misc.	870,249
Packages containing goods, misc.	838,165
Sewing machines, domestic	746,280
Silk clothing, women & children	738,838
Gloves of synthetic fibres	673,666
Angles, beams, misc.	632,157
Colored cotton fabric	624,723
Fish nets, commercial	609,494

Canada sold

Wheat	$52,698,813
Barley	5,779,012
Pulp sulphite, bl. dissolving	4,974,078
Flax seed	4,923,987
Iron ore	3,587,694
Seeds, misc.	2,218,962
Asbestos milled fibres	1,937,314
Whisky	1,681,531
Flour of wheat	1,361,562
Magnesium	1,259,862
Drugs & chemicals, misc.	1,232,832
Bran	1,084,913
Cattle hides, raw	908,537
Tallow	785,364
Titanium slag	770,937

The Struggle for Recovery

Special Report from Japan on Outlook

By PETER SHINOBU HIGASHI

Born in Japan, Peter Shinobu Higashi came to Canada as a child with his father, a Church of England missionary to the Japanese colony in British Columbia. He was educated in Prince Rupert and Vancouver; graduated from UBC in 1938 in English literature and language.

He writes this and other articles in this Report on Japan with a special knowledge of Japanese-Canadian relations.

Mr. Higashi founded the English-language Japanese newspaper "The New Canadian" still published in Toronto; in April, 1939, went to Dairen to work on the Manchuria Daily News. Drafted into the Japanese army in 1941, he was discharged in 1943, interned by the Russians in 1945 and worked in a slave labor camp until repatriated late in 1948. He is now business manager of Associated Press in Tokyo.

His wife, Setsu, was born and raised in Vancouver and they have one son, age 14.

Peter Higashi

World-wide prosperity, spearheaded by United States' economic boom, boosted Japan's 1955 trade volume to a postwar high of $4,723 millions.

Custom clearances for the year ended March 31, 1956, showed exports increasing by 24.5% over the same 1954-1955 period to $2,137 millions, a postwar high.

Imports totaled $2,586 millions, also a new record, topping the preceding year's total by 14.8%.

Though Japan's import excess was whittled down by 586 millions from the 1954 level of $534.8 millions, it still remained a formidable $448.6 millions.

For a Japan which must export to support its teeming 90-million population, it was an encouraging year.

Yet, sobering factors rule out great optimism. In the last prewar normal years, 1934-1936, Japan exported an amount equivalent to 22.6% of her gross national income and imported 22.9% (about the same proportion as now applies to Canadian figures).

In 1955, the ratio of exports to national income was only 9.5% while imports were 14.1%—despite a 50% increase in national income and over 100% increase in industrial output.

Additionally, the export volume in 1955 had only reached 57.1% of the 1934-1936 level and imports 78.2%.

Even in the banner year of 1955, Japan still could not sell more than it bought. This imbalance has existed every year since her defeat.

And yet, the Finance Ministry announced April 7, Japan's dollar receipts in 1955 totaled $535 millions more than she disbursed, an increase in excess dollar receipts over 1954 of almost $200 millions.

Dollar Holdings Up

Finance Minister Hisato Ichimada proudly told the press that Japan's hard currency holdings had now reached $1,405 millions.

But how?

The answer lies, of course, in the $5,500 millions in U. S. aid poured into the country since the surrender and over $3,527 millions in so-called "off-shore" procurements of strategic materials for the United Nations forces in Korea.

Since the end of the Korean War, this important source of dollar revenue has taken the form of:

—Private spending of U. S. military personnel in Japan;

—U. S. spending to build up Japan's defense forces;

—the purchase of goods for the reconstruction of Korea;

—welfare aid to countries of Southeast Asia.

In 1955, procurement spending alone totaled $575 millions, preventing Japan from going into the red, and contributing to the favorable dollar receipts raked in by the Japanese.

Some credit must, however, be given to the Japanese themselves. In 1945, at the close of World War II, experts predicted that Japan would take 10 years to rebuild her war-shattered industries and reach prewar production levels.

In 1947, Japan's mining and industrial output had increased 27% over the previous year to reach 45.9% of prewar levels. In 1950, industrial output was back to 99.7% of prewar levels, thanks primarily to heavy procurement spending for the Korean War, which broke out in June of that year.

In 1951, production was up to 134.4% of prewar standards and continued to increase by 10% annually. In 1955, Japan's industrial output was twice that of prewar years, reaching an index of 201.3.

This amazing recovery was accompanied by industrial re-equipment, technical progress and increased labor productivity. For example, in 1947, labor productivity was 28.6% of the 1934-1936 level. In 1955, it had reached 127.4% for both the mining and manufacturing industries, despite the fact that miners continued to drag their feet, attaining only 88.8% of the prewar standard.

Changing Trade Pattern

Hand in hand with these developments, Japan's trade pattern changed drastically. Despite the fact that trade with Japan's immediate neighbors, China, Korea and Manchuria dropped to a mere trickle, Asia still remained Japan's major market. But Asia no longer was the major source of Japan's supplies of raw materials and food. Japan turned to the U. S. and Canada for her industrial materials and foodstuffs.

In short, Japan can exist only as a workshop for the nations of the world. Her problem is how to process the raw materials she buys abroad into finished and semi-finished products that she can sell again in a highly competitive world market.

And, significantly, Japanese industrialists, manufacturers and exporters, seem to have a realistic grasp of this problem. Unlike prewar days, when Japan put too much shoddy material at cut-rate prices on the world market, today private enterprise is maintaining voluntary safeguards against the export of cheap products. This self-imposed discipline and emphasis on quality goods covers the whole gamut of export products—textiles, cameras, iron and steel products, pearls, sewing machines and even tuna.

Despite the crying need to expand markets abroad and grab as much trade as possible, manufacturers and exporters are collectively imposing, in addition, voluntary restrictions on exports to prevent flooding of the markets.

This was particularly noticeable in connection with the loud outcry raised against Japanese textiles in both Canada and the U. S. last year.

The Japanese Government also keeps a close watch on exports. To prevent domestic price dislocations, it has not hesitated to resort to an outright ban on exports. Such a case occurred last year, when the government halted shipments of iron and steel products abroad at a time of acute domestic shortage which threatened to boost iron and steel prices beyond control.

On the import side, Japan's government has maintained indirect control by the system of dollar allocations for imports. Without dollar allocations and import licenses, no products or materials can be brought into the country. By withholding dollars, the Japanese Government has kept control of the importation of luxury goods and unnecessary products. This weapon has also been used to influence domestic prices of imported raw materials.

However, Japan's record export boom of 1955, coupled with the growth of her dollar holdings to close to $1,500 million, has spurred in Japan a movement for relaxation of import controls. Will the government accede?

Already fears are expressed that the relaxation of import controls, which must come sooner or later, brings up the question of tariff protection for Japanese products.

But Japan, which has been allowed entry into the General Agreement on Trade & Tariffs and which has continuously fought for lowering of tariff barriers, cannot at this stage resort to high customs duties in order to control imports.

Finally, will Japan's trade continue to grow in 1956?

It is a common saying among Japanese economists: "If the United States and Europe sneeze, Japan will surely catch pneumonia."

In other words, Japan's current export boom depends primarily on business trends in the U. S. and Europe.

The Japanese Government believes prosperity in the West will continue, despite a slow-down in tempo and that Japanese exports will continue to hold their own and even grow slightly.

The goal set for 1956 is an export total of $2.2 billion, which would enable Japan to expand her national economy by 4% in line with the government's five-year economic program, which began this year and will end in 1960.

Some Problems Ahead

However, there are already dark clouds on the horizon. In the U. S., stimulated by the spectacular growth of imports from Japan in 1955, circles affected are demanding import controls and heavy tariffs. The recent discriminatory measures passed by state legislatures in the textile-industry states of the south have Japanese exporters worried, despite the Japanese Government's strong protests to the U. S.

Similarly, the great export boom of iron and steel products has already forced export controls on these products, in view of domestic shortage. Shortage of iron and steel could easily touch off an inflationary spiral that could undo all the hard-won accomplishments of the past two or three years.

State Minister Tatsunosuke Takasaki, director general of the Economic Planning Board, recently put Japan's stand on this problem in these words:

"Export competition will no doubt intensify with time.

"We must refrain from unfair competition in the export markets. International trade is founded on international morality, which we must not ignore in order to increase exports.

"International trade, again, is international division of work and must be mutually complementary. Exports from one country must aid the industrial development of another.

"Japan's future trade policy will be based, first and foremost, on these principles. She will take every care to adhere to these principles in her effort to expand her trade on a balanced basis."

Once again, it will be interesting to see how these words are applied to Japan's trade problems in fiscal 1956.

Which Way Will Japan Turn to Trade?

Trend Is To The West, But Peiping Sings A Siren Song

By VINCENT J. EGAN

The Japanese economy today is slanted toward the free world. From Canada comes her wheat, from the U. S. comes her raw cotton, from Australia comes her wool.

But in her efforts to sell her own goods to the prosperous nations of the west, Japan comes up against an array of artificial barriers.

When Japan cocks her ear toward near-by continental Asia, on the other hand, she hears Peiping's siren song. China ostensibly is willing to trade her coal for Japanese ships, her soya-beans for Japanese machinery.

Japan's trading partners of the free world cannot afford to ignore the pressures that are present in Japan. While governments of the English-speaking world either suggest or demand that Japan curtail her shipments of textiles, sewing machines and the like, China's rulers invite influential Japanese to come and visit them on good-will missions. Japanese manufacturers are assured that, if it weren't for the west's embargo on trade with communist countries, China would surely be buying from them.

In Tokyo, I talked with Yoshihiko Kitajima, chairman of the city council, of the impressions he gathered on his visit to Peiping last fall (when the Geneva spirit was in flower) as head of a delegation of 47 Tokyo officials. At our interview, Kitajima was surrounded by other councillors who had accompanied him to Peiping.

Vincent J. Egan

Financial Post staff writer for the past five years, Vincent Egan is a graduate of the University of Toronto in Economics, and studied at the Sorbonne, Paris. He has travelled widely in Europe, and visited Japan recently to bring to Financial Post readers this special report.

Apparently Kitajima gathered only one impression on his trip, for he would discuss no other: that the United Nations' restrictions on trade in strategic materials with communist countries should be abolished and full-scale trade between China and Japan revived. His fellow councillors appeared to agree.

Remember Soviet Action

At the same time, the Japanese have not forgotten Russia's last-minute entry into the Pacific war after the first A-bomb had demoralized Japan. They have not forgotten Russia's seizure of industrial plants worth $1 billion in Manchuria, and of Sakhalin, the Kuriles, and other Japanese islands.

And certainly they have not forgotten the thousands of prisoners taken by Russia during her seven-day war against an already defeated Japan. Relatives of these "war criminals" still held in Russia stage frequent demonstrations in Tokyo on their behalf. Occasionally — apparently when it is politically expedient for their communist captors to release them — some prisoners are sent back to Japan.

Japan has many other causes for resentment against communism — the stalemate in the Russo-Japanese peace talks at London, Russia's harassment and occasional seizure of Japanese fishing boats in northern international waters, the sending of Soviet spies (some of whom have been caught landing on beaches) into Japan.

But could Japan, in fact, develop a substantial trade with today's China if there were no UN embargo and if political biases were somehow removed from the picture?

Japan could use coking coal from Manchuria (at $12.30 a ton vs. $21 for U. S. coal), industrial salt, iron ore and rice — but China needs those very commodities herself for her industrial expansion program and to feed her people.

China might appear interested in buying steel, heavy equipment and fertilizer from Japan, but in the long run China could and would buy those commodities more cheaply elsewhere. And a communist - ruled, poverty - ridden agrarian nation is not the most promising market for the consumer goods, such as cameras and toys, that are Japan's specialty.

Diversity of Exports

That is the most encouraging evidence there is that Japan

(Continued on page 3)

日本とカナダの貿易は、相互繁栄の基を為す活きた原動力である

日本の国、貿業、産工業、そして国民生活等をカナダ人に詳しく紹介する為に「ファイナンシアル・ポスト」紙は茲に此の特集記事を記載した

「ファイナンシアル・ポスト」は、実業界、金融界及び一般社会事情を報ずることに於てカナダ全国第一流の週刊新聞である

編集主幹

The above panel in Japanese is a brief message from the Editor. It speaks of trade between Japan and Canada and tells about the purpose of this feature report.

Increased Trade will ensure deeper Canadian-Japanese friendship

This modern age has brought us, among other wonders, huge turbo-jet aircraft which have reduced the trans-Pacific crossing to a matter of hours. And the future will surely offer even swifter transportation.

But although this has meant that Japan and Canada are closer neighbors than ever before, we cannot help but be conscious of the fact that we don't know enough about Canada. And it is equally true that Canadians don't know enough about Japan.

This lack of mutual knowledge is unfortunate, we feel, because it is no exaggeration to say that both our nations could benefit to an enormous degree from a more intensive exchange of knowledge and culture. And of material goods.

This, of course, is not a private matter between Canada and Japan but applies throughout the world. Everyone agrees that international friendship is an inspiring ideal, but we also know it cannot be achieved if all we do is talk about it.

One way of "doing something about it" is through the promotion and expansion of trade. For Japan, this means stepped up imports of raw materials and increased exports of finished goods. And, with that end in mind, rigid inspection controls are being carried out on all goods that leave our shores.

As a result, Japanese products have been establishing a new reputation around the world. The words "Made in Japan" — once an unhappy synonym for cheap and shoddy products — are rapidly gaining in dignity and stature, and it is our intention to keep them that way.

If you want further information on Japanese industry, please state the name of this paper and write to us. We will send you a pretty booklet, "Japan at a Glance."

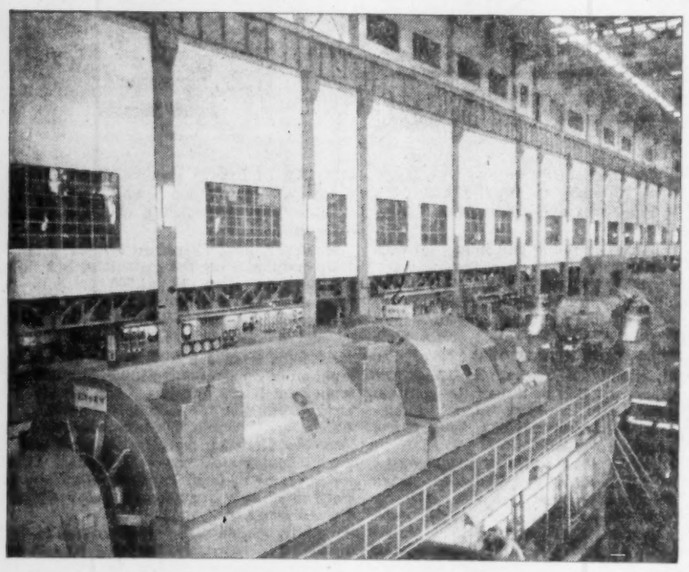
Trade Promotion Section

Ministry of International Trade and Industry

Tokyo, Japan

STEEL PRODUCTS

A 3-year rationalization program inaugurated in 1951 has been of great value in meeting the extremely active world demand which, in turn, has sparked an amazing increase in Japan's production and export volumes of steel and steel products.



HEAVY INDUSTRY

The marked postwar development of Japan's heavy machinery industry, both in the domestic and export fields, has been largely due to the energetic measures of both Government authorities and private enterprise to promote overseas business.

CHEMICAL PRODUCTS

Boasting a level of quality equal to the world's best, Japan's highly popular chemical products now being shipped abroad include chemical fertilizers, dyestuffs, plastics, celluloid, various kinds of soda, photographic materials and pharmaceuticals.

PORCELAIN WARE

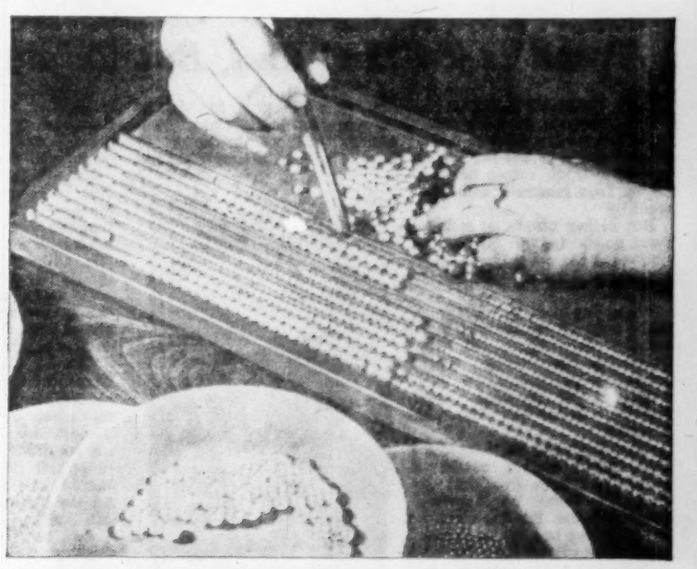
With the benefit of centuries-old traditions in the ceramics field, Japan is understandably one of the world's largest producers and exporters of porcelain and china wares. Annual export volume has already reached a staggering $35,000,000.

YARN AND TEXTILES

Production of yarn and textiles has been a traditional art of the Japanese for centuries. The extremely wide field of manufactured goods embraces sheer silk fabrics, brocade, cotton cloth, knitwear, fishing nets and countless other items.

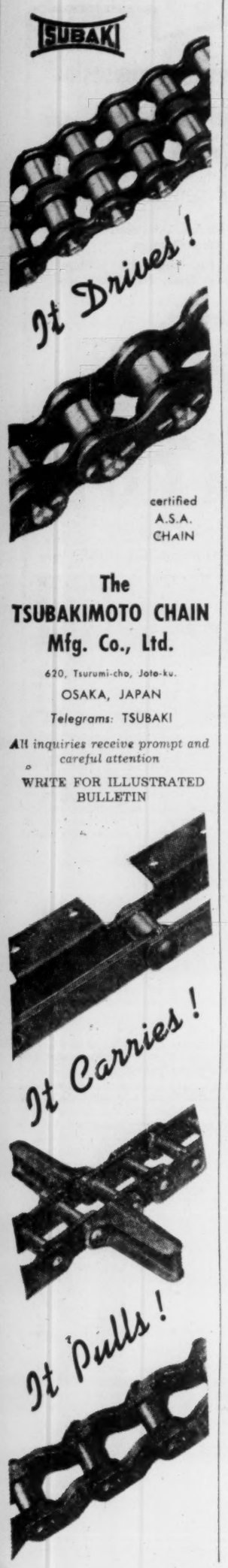
TOY INDUSTRY

Already world-famous, Japan's postwar toy industry has witnessed a remarkable qualitative improvement and now ranges across a very wide field of dolls and mechanical toys, manufactured from cloth, rubber, papier mache, glass, celluloid, plastics or metal.



CULTURED PEARLS

Japan's cultured pearls have already established their high popularity among fashionable women around the world. Originated 40 years ago by the late "Pearl King" Mikimoto, the industry continues to place emphasis on quality rather than quantity.



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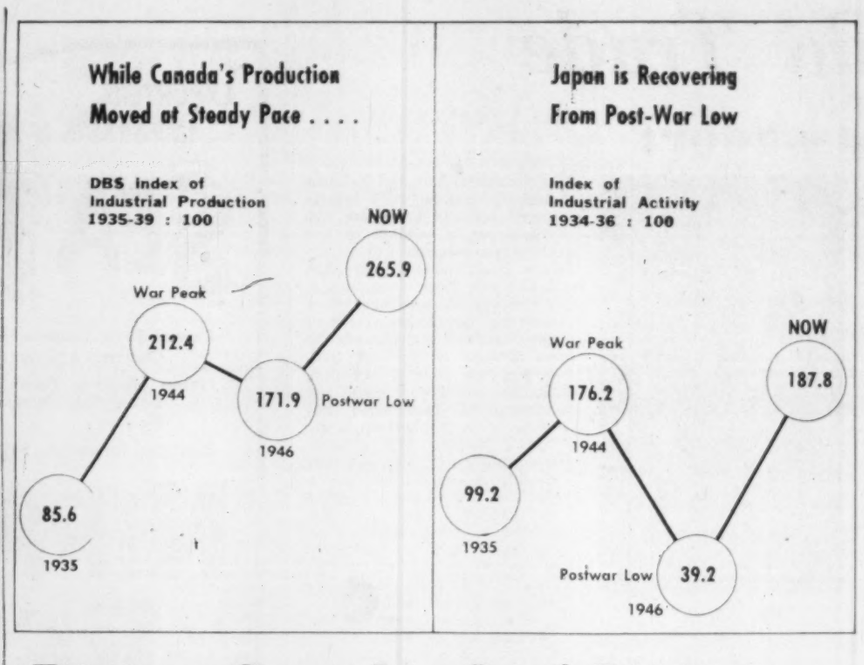

Rising Standard of Living Reflected in Retail Boom

By PETER SHINOBU HIGASHI

Japan, in 1955, harvested an all-time bumper crop of rice totaling roughly 392 million bushels.

Never in all her history had such a harvest been garnered.

This was roughly 66 million bu. over the past 30-year average of 325.9 million bu. and almost 41 million bu. above the previous all-time record of 351.3 million bu. set in 1933.

For a country chronically short of food and forced to import 20% of the minimum foods necessary to maintain sustenance, the record crop came indeed as a blessing.

The repercussions of this bountiful harvest were far-reaching. Its effects will be felt late in 1956.

In the first place, it put in the farmer's pockets more spending money than he had had in years.

Even without the bumper crop, farm household consumption had finally caught up with the general spending of the rest of the nation. In the first half of fiscal 1955, from April to September, per capita consumption in rural Japan was 43% higher than the corresponding period of 1954.

This was expected to rise at least another 10% in the second half of fiscal 1955. But the full impact of farm consumption was not expected to be felt until the middle of 1956.

However, there were already abundant signs of a spending boom in the rice-producing areas of Japan. Newspapers are full of stories of farmers buying washing machines, motor scooters, radios, electric well pumps and electric rice-hulling equipment.

Rice Rationing System

The bumper rice crop has had the same effect on consumer spending in the urban areas, though in an indirect manner.

Rice is the last and only commodity still controlled by Japan's wartime rationing system. This is not because staple foods are in short supply. While the retail price of rice was kept artificially low, production costs kept soaring and the Government kept subsidizing the farmer, footing the difference between the price paid to the farmer for his rice and the price at which the consumer bought his daily rations.

Today, it would be political suicide to abolish the rationing system and allow the consumer price of rice to seek its own level. It is the same situation as that existing in the U. S. in connection with parity supports of agricultural products.

Whatever the case, where price controls exist, black marketing is inevitable. Japan is no exception. In 1955, the black market price of rice ranged as high as 50% above official levels.

The bumper crop of 1955 had the immediate effect of setting black market rice prices tumbling, as the harvesting progressed. In the rice-producing areas, the black market price even fell below the official level, and in the urban consuming centres to about 10% above the official price.

In face of this development, the Government was forced to abolish the rationing system for imported rice from California, Burma and Thailand.

The Consumer Boom

The net effect of these developments was to give the housewife more money to spend on other goods.

She did just that. In fact, as early as November, 1955, department store sales throughout the nation were up 11% above the level in November, 1954, and in December climbed 14.3%.

On a higher plane, the record crop enabled the Government to economize on imports of rice from abroad. This, together with the export boom in 1955 of some $2 billions, boosted Japan's dollar holdings to a postwar high.

As a result of the export boom and domestic consumption, Japan today enjoys a "quantitative" boom, as opposed to a "price" boom, or inflation. It defines in a general sense the controlled prosperity that Japan enjoys in the consumer field.

Nowhere is this consumer boom so evident as in the field of electric appliances and equipment for domestic use.

For example, three years ago not a single TV set was being manufactured in Japan. Today, monthly production has reached 20,000 sets and is still climbing. Prices of TV sets, thanks to mass production and technological progress, have also dropped by more than 40% since sets first appeared.

But they are still expensive by Canadian standards. A 17-in. table model retails for $300 and a console for $500. (In Canada, $100 and up.) The most popular 14-in. sets can be had for as low as $220.

Radios and Washing Machines

Further, sales since the beginning of 1955 of radio receivers, refrigerators, washing machines and electric fans have increased on an average of 30% over 1954.

Production of radio sets now is over 200,000 monthly. The recent trend is the increasing popularity of portable radios, ranging from $10 to $20. There are 13 million registered radio listeners in Japan.

Prima donna of electrical appliances is, however, the washing machine. In November, 1955, 42,224 machines were produced, 51% more than the same month in 1954, bringing the total production for the period January to November, 1955, to almost 400,000. Of this only 49,000 remained unsold at the end of November.

Price of these washing machines, mostly of a simple agitator-type with hand wringers, dropped from an average in 1954 of $100 to $55 in 1955. The tub is little more than half the size of Canadian machines.

In addition, some 480,000 electric fans were sold in 1955.

In 1956, sales of washing machines and electric fans are each expected to top 700,000.

And finally, despite the high price of electric refrigerators—$170 to $200 for a three cu. ft. model — some 60,000 are expected to be sold in 1956. In the last three months of 1955, four times as many refrigerators were sold as in the same period in 1954.

Expanding Production

This upsurge in consumer spending was duplicated in many other fields of consumer goods, and Japanese industrialists have begun increasingly to invest in the expansion of productive facilities.

Despite the increased spending, prices have tended to remain stable. The Government has found that relaxation of import controls on raw materials, by the allocation of dollars for imports, has tended to check domestic price increases.

This has been possible thanks to Japan's sizeable dollar holdings.

Only in the case of wholesale prices of certain raw materials has there been an upward trend since the beginning of the year. But, this has been a mere reflection of rising world prices for these items.

Rising profits, stepped-up operations and the increase in domestic currency resulting from conversion of favorable international payments has eased the money market. In fact, bank loan rates are dipping and credit is easier to obtain. Long-term savings, which commanded up to 10% interest annually, earn only 7.5% since April, 1956.

As a result, many Japanese are transferring their savings to the purchase of stock. This has spurred the already bullish stock market to new highs, and market averages have set records since the beginning of April.

Wages Going Up

How has this prosperity affected wages?

Labor, favored by liberal labor legislation such as never enjoyed before, and organized as never before, has not remained idle. Backed by the Socialist party, workers have struck time and time again, in every field of industrial activity.

Today, government and industrial workers enjoy wages at least 10% above those prevalent in 1954. But, all is not rosy in the labor picture. Japan's rising population throws an increasingly larger group of productive workers on the labor market at each graduation time. The spectre of unemployment, however, will always remain in Japan, unless her population problem is solved.

And yet, economists estimate that Japan's standard of living in fiscal 1955-56 rose by 15% to 20% over 1954.

As long as the west remains prosperous and Japan's exports continue to boom, there is every hope for another prosperous year in 1956.

But Japan is completely at the mercy of factors beyond her control. A severe recession or business scare in the U. S. and Europe, and a resultant drop in Japan's exports, could easily set back the progress that Japan made in 1955.

Japan's Commodity Trade

	1955	1954
	($ millions)	
Exports		
Food and beverages	136	136
Textiles	722	699
Metals	397	246
Machinery	270	168
Others	439	334
Total	1,954	1,533
Imports		
Food	524	625
Textile fibres	492	526
Petroleum, oils and fats	214	165
Metals and ores	127	155
Others	491	491
Total	1,848	1,734

Which Way Japan's Trade?

(Continued from page 1)

won't slip into the communist trade sphere. The wide diversity of her exports and her markets is the secret of her economic strength, the guarantee that she will be able to go her own way.

Her biggest export market, the U. S., took 24% of her exports last year. (Nearly 60% of all Canadian exports went to the U. S.) The other 76% of Japan's exports were distributed in small shares throughout the world, with Canada taking about 2% and Red China about 1½%.

Cotton textiles, Japan's largest export item, accounted for less than 12% of her total exports. All textiles and fabrics — 14 different classifications, each with a value of more than $30 millions —together constituted only about 37% of total Japanese exports.

There is much encouragement, too, in the pattern of last year's trade increase. The Bank of Japan divides the world into three currency groups — dollar, sterling and open-account. Comparing 1955 with 1954, Japan boosted her exports to the dollar area by more than half, to the sterling area by more than a third.

Exports to the open-account area declined by one tenth chiefly because Japan has restricted exports to Indonesia until that country reduces her heavy trade debt with Japan.

By increasing her exports Japan has for the past two years balanced her international payments. But exports must solve another Japanese dilemma. In human terms, it is her most pressing problem.

Into Japan's 142,200 square miles are crammed 90 million people. The population is growing at the rate of 1,500,000 a year, the labor force at the rate of 700,000.

Where will those 700,000 people find jobs?

Not in primary industry. Fishing needs no more men. Agriculture is overcrowded now; only 15% of Japan's land, or 13 million acres, is arable, and almost every square foot of that land is being cultivated as intensively as a Canadian cares for his prize garden.

Not in tertiary industries. Banking, the civil service, commerce generally — all have expanded out of due proportion, and efficiency suffers because of the sheer number of clerks. The service trades are saturated.

That leaves it up to secondary industries.

Can manufacturing provide enough jobs for the new recruits constantly pouring into the labor force, to prevent a serious rise in unemployment? Only, it seems clear, if Japan can continue to increase her exports.

In pursuing that goal, one of Japan's major achievements of the past year has been her accession to the General Agreement on Tariffs & Trade (GATT) last September, after concluding trade agreements with Canada, the U. S. and 15 other member-countries.

Membership brought with it tariff concessions which will increase Japan's exports by an estimated $40 millions a year. But it is typical of Japan's problems in bolstering her international trade that 14 member-countries, including Australia, invoked Article 35 of GATT in order not to have to carry out full-scale contractual obligations toward Japan.

An engineer from a Southern Ontario town, who for many years has held a senior post with one of Japan's largest manufacturers of electrical industrial equipment, complained:

"Practically all our competitors get most-favored-nation treatment in Australia. British equipment goes in free, m.f.n. at 12½%, and Japan pays anywhere from 25 to 47½%." (Australian exports to Japan were considerably more than twice as high as imports from Japan in 1955, three times as great in 1954, 20 times as great in 1953.)

Like many other businessmen in Japan, that Canadian resents discrimination against Japanese products by the countries from which Japan buys heavily, and especially by her fellow-members of GATT.

His company, nevertheless, is expanding, its sales increasing both at home and in the export market. Like other exporting companies, it has been the recipient of special financial privileges from Premier Ichiro Hatoyama's Conservative government.

The aging, ailing premier is not expected to remain in office beyond this fall, but his government will not face an election until next year. If by then it can dispel the popular notion that Japan's prosperity is the natural result of world prosperity, and implant instead the notion that economic recovery is the result of the government's policies — which is to a considerable extent true — then the Conservatives will probably return to carry out the 1955-60 economic plan they drew up last year.

Indications are good that the Conservatives' task will still be to identify themselves with prosperity, rather than to dissociate themselves from depression, when election campaigning begins next year. National income this year will rise 4.3% over 1955, the government has forecast. Other expected increases: Gross national product, 4.2%; industrial production, 7.2%; per capita consumer spending, 2%.

The Japanese people have prospered under their new-found de-mok-ra-sie. Their nation is once more the industrial leader of the Far East. Today its growing strength is contributing to the might of the free world. Its future course is a challenge — to Japan's trading partners of the west, as well as to the Japanese themselves.

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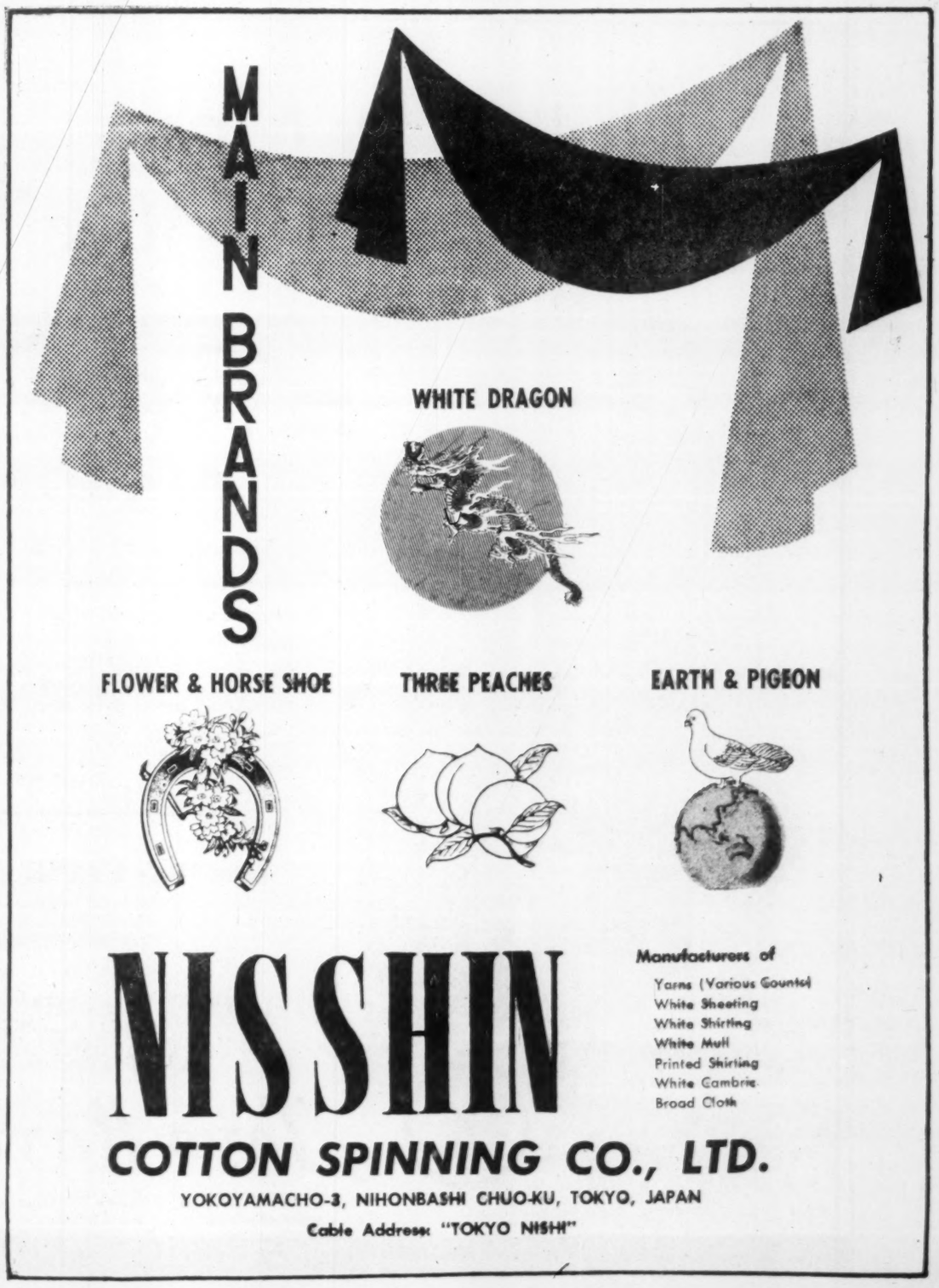

Outlook for Japan-Canada Trade

From Japan:

By Dr. KOTO MATSUDAIRA
Japanese Ambassador to Canada

Dr. Matsudaira

It is with great pleasure that I send to you a message on the occasion of The Financial Post's second timely and successful issue on Japan.

It may be said that Canada and Japan are destined to share a common purpose, seeking, as good neighbors, mutual prosperity and world peace. Obviously, it is most important that we should understand each other to a greater extent.

The New Japan is challenging her old problem — too large a population in a small island country with meagre natural resources — with new ideals and by new democratic methods. She is striving to increase political stability, to attain a well-balanced, growing economy and, at the same time, to co-operate to the utmost with the free world.

Fortunately, Japan has shown remarkable success in her progress toward these goals. We owe much, in this respect, to the understanding extended to us by the nations of the free world. With Canada, in particular, Japan has enjoyed a closer and happier relationship than e er before, due, in no small measure, to the unfailing good will and generous support given to Japan by the people and Government of Canada.

We particularly appreciate the support given by the Canadian Government on the occasion of Japan's accession to the Colombo Plan as a donor nation, and again, on occasion of Japan's successful application for membership in GATT.

More recently, we have been grateful for the Canadian support of our application for membership in the United Nations. These occasions, among others, have served to strengthen the growing friendship between our two countries.

Japan has achieved tremendous economic growth, but we still have to stress how vitally important our foreign trade is in our efforts to support 89 million people. I am happy to say that our trade relationship with Canada is showing an encouraging and more equitable pattern of growth. This improvement can best be illustrated by figures. Three years ago, the ratio of our trade was 11 to 1 in favor of Canadian exports to Japan. Today it is 2.5 to 1. I assure Canadians that we are striving to create a pattern of trade which will be beneficial to us both, based on a complementary, rather than a competitive basis. At the same time, we hope to attain a more equitable balance between our imports and exports.

In order to acquaint the Canadian people with the industrial products and quality consumer goods which the New Japan can now produce, we have participated, in the past, in the Canadian International Trade Fair, and are now planning to take part in trade shows and exhibitions in Canada, such as the Canadian National Exhibition. A new Trade Center was established in Toronto this year to promote the expansion of two-way trade between Canada and Japan.

We regard with admiration and respect the increasing role which Canada is playing in the international field, as well as her remarkable progress in the domestic field, particularly in economic expansion. Recently, an increasing number of Japanese have visited Canada and have returned home convinced of the growing importance of this country.

From Canada's Ambassador:

By THOMAS C. DAVIS
Canadian Ambassador to Japan

I welcome this special issue of The Financial Post — the second so far on Japan — as a contribution toward better Japan-Canada relations. In spite of the large and increasing number of contacts between our two countries, postwar Japan is still in many respects unknown to Canadians. I therefore hope this issue will promote increased knowledge and better understanding of Japan.

There are many and important grounds for Canadian interest in Japan. She is our nearest neighbor in Asia, to which we are linked by a direct air service. Last year nearly 1,300 Canadians visited Japan and there are over a 1,000 Canadians resident here, many of them missionaries.

Commercially, Japan is Canada's third-best customer and Canada is, in turn, providing export markets for a variety of Japanese goods. Canada and Japan have a common interest, with the other littoral countries, in conserving and exploiting the valuable marine resources of the North Pacific. Canada also shares with Japan membership in the Colombo Plan, through which we are contributing to the economic development and technical advancement of the free nations of Southeast Asia.

In more general political and strategic terms, Japan's democratic development and her position on the flank of the Communist powers on the Asian mainland are of the greatest importance to the whole free world.

In the years immediately after the war, Japan, with generous United States assistance, undertook the tremendous task of rebuilding her shattered economy and reshaping her political and social structure. Even after regaining her sovereignty in 1951, Japan was too engrossed in this task to play a very active part in international affairs.

More recently, however, the elements of a new phase of national development have become discernible. A greater measure of political stability has developed, due chiefly no doubt to the merger last year of the two main right-wing parties and the two main left-wing parties to establish the first two-party system of conservatives and socialists in Japan's history.

There has also been a marked improvement in the country's economic position. In the

Hon. Mr. Davis

fiscal year 1955-56, Japan was able for the first time since the war to balance her international payments without reliance on U.S. military purchases, and Japanese exports to Canada alone were double those of the previous year. There has also been a significant increase in the interest shown by Japanese business circles in opportunities for investment and technical co-operation abroad, particularly in Southeast Asia and in Latin America, although the investments actually made are not yet large in relation to the country's external trade.

It is, of course, true that Japan still faces fundamental difficulties in the form of a crowded population, lack of raw materials and dependence on foreign trade; and that, through no fault of her own, she has not yet obtained the international recognition that comes with membership in the United Nations. She is, however, gradually regaining her confidence and her position in the world. And she is making commendable efforts to contribute to international co-operation and to emphasize trade policies that will secure long-term markets rather than only short-term profits.

It is in our interest to encourage her in these efforts. Canada has already played an important role in supporting Japan's membership in GATT, the Colombo Plan and the United Nations, and has found means for mutually beneficial co-operation in such matters of common concern as trade and fisheries.

With understanding on both sides, there is every reason why this relationship should develop still further.

From Canada's Trade Minister:

Hon. Mr. Howe

By RT. HON. C. D. HOWE
Minister of Trade & Commerce

Canada and Japan are important trading partners. In 1955, we sold some $90.9 million worth of Canadian products to Japan, and purchased some $36.7 million worth of their goods.

Japan, which has been our third-best customer in the last few years, has re-emerged quite recently as a major world trading nation.

A few years ago, the Japanese economy suffered from inflationary forces and faced a number of foreign exchange problems. Last year, however, Japan stabilized her economy, increased her exports to all countries combined by more than 25%, and achieved a substantial surplus of foreign exchange earnings.

We are confident, therefore, that our exports will continue at a high level, and that Japan will continue to provide an important outlet for many Canadian products. Increased imports from Japan last year were doubtless facilitated by the Most Favored Nation tariff treatment we granted to Japan in 1954, but th increase was also influenced by the high level of activity in Canada and the continued development of production in Japan. Despite increased imports, our sales were about 2½ times our purchases from Japan in 1955.

A growing population, together with Japan's recently demonstrated ability to achieve a viable economy, underline the importance of the Japanese market, not only for our grains but for other important products as well.

Trade between the two countries is to a large extent complementary in nature. Each nation has a substantial stake i maintaining friendly commercial relations and a stable pattern of trade with the other.

Trade relations between Canada and Japan are governed by the Canada-Japan Trade Agreement of 1954 and by the General Agreement on Tariffs and Trade to which both countries adhere. Under the trade agreement, which is fully consistent with GATT principles, Canada extends Most Favored Nation treatment to Japanese products.

In return, Japan provides MFN treatment for our exports and, in addition, for nine commodities (wheat, barley, pulp, flaxseed, primary copper, lead in pigs, zinc spelter, synthetic resins and milk powder) the Agreement provides for non-discriminatory treatment regardless of the Japanese currency position.

Other important features, under the Agreement, are that Japan will not discriminate against Canada in favor of any other hard-currency country, and that reasonable safeguards are provided for Canadian industry.

The Agreement places Japan in a position to compete fo the Canadian market with other Most Favored Nation countries such as the United States and European countries. Prior to the Agreement, Japan was our only major trading partner whose products were subject to the much higher rates of duty under the General Tariff.

The Agreement reserves to Canada the right to apply special duties in legitimate cases, where an emergency exists and there is a serious threat of injury to domestic producers as a result of increased imports. Our trade relations with Japan are based on the concept of good will and adherence to fair trade practices.

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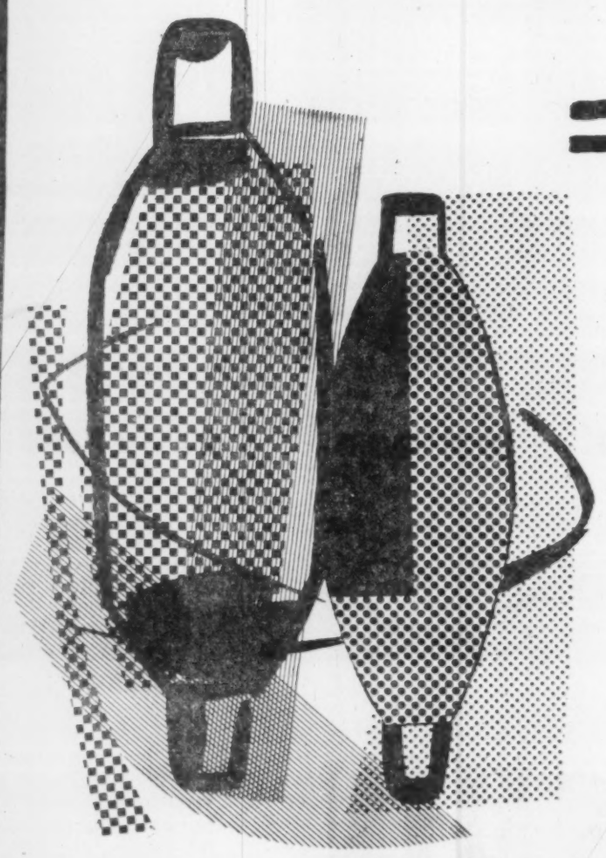

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Japan's Changing Food Habits Mean Big Canada Wheat Sales

The rice bowl may be on the way out in Japan.

Rice, traditionally a basic food in Japanese diets, is losing ground to bread. The result is that wheat has become Canada's top export to Japan by far, and Japan now ranks each year as the second or third best customer for Canadian wheat.

The tastes of the Japanese people, particularly the younger generation, are changing. More and more, when the noon whistle blows, a sandwich rather than the rice bowl is brought out of the desk drawer or the locker.

The trend began soon after the war, when the United Nations donated wheat to help alleviate Japan's food shortage. But consumption of wheat products didn't end when the food shortage abated.

Japan's Government recognized the high nutritive value of wheat — although it costs only half as much as rice, its calorific content is higher. Food and national eating habits are matters of vital importance in governmental policy.

Japan's population has grown from 70.8 millions in 1939 to 90 millions today, and is still growing at the rate of 1.5 million people a year. Yet domestic production of rice and wheat have barely changed, since Japan has no more land to cultivate. Every year, therefore, about one fifth of the food the Japanese people eat must be imported — and the proportion is rising.

Eat Bread Campaign

That's why the Government has thrown its weight behind the shift to bread as a staple food. The ministries of agriculture and education have launched campaigns to popularize bread, in much the same way that our Department of Fisheries promotes the use of fish in Canada. Here are the chief points the Government makes:

—Fuel of any kind is extremely costly in Japan. The housewife must prepare rice over a fire, but no cooking is needed for bread.

—For the noon-day meal, bread or rolls are more convenient than rice. That's important in a country as highly industrialized as Japan.

Subsidized school lunch programs, which are expanding throughout Japan, provide two slices of bread a day for each child. As a result, the switch to bread should gather momentum as time goes on.

By 1985, the Japanese Government predicts, Japan will be the world's top importer of wheat. Since Japanese millers and bakers show a decided preference for Canadian wheat, Canada can look forward to an ever-growing market across the Pacific.

Chief Commissioner George McIvor of the Canadian Wheat Board recently predicted that Canadian wheat sales to Japan would increase by 20% "in the near future." In the eight months ended March 31 last, sales were 15.8 million bu., compared with 14.8 m. in the comparable 1954-55 period.

Like Canadian Wheat

Japanese millers are discriminating purchasers of wheat, Canadian grain men have found. The millers have decided that high-grade Canadian wheat is best, particularly for bread-making. (Approximately 50% of wheat flour in Japan is used for bread, 40% for noodles, and about 10% for pastries, crackers and the like.)

That's why Canadian agricultural officials do not appear to be concerned about the effects of the U.S.-Japan agreement on agricultural commodities, under which the U.S. will supply $15 millions in wheat and nonfat milk to Japan as part of a $65.8-million program. The Japanese government will pay for these U.S. commodities in yen, 75% of which ($49,350,000) will be turned back to Japan as a loan for the country's economic development.

The U.S. wheat, it is believed, will be used largely with Japanese domestic wheat in the production of noodle flour, a type of processing in which price takes precedence over quality.

Market for Barley

Canadian barley, along with wheat, has found a growing market in Japan. Blended carefully with rice, it becomes indistinguishable — and helps to stretch out the more expensive rice.

For this purpose, the Japanese prefer No. 3 c.w. six-row barley, the same grade that Canada sells in heavy volume to the U.S. When Canada is unable to furnish the higher grade, they will accept No. 1 feed barley as a substitute.

The Japanese take off the outer husk, steam the barley to soften it, put it through rollers to flatten (but not shatter) each kernel. When the pressed barley and rice are cooked as a mixture, the product resembles rice, and is cheaper and more nutritious than rice alone.

Canada's 1954-55 barley crop was so low that Japanese orders could not be filled. But in the first eight months of the current crop year, to March 31, Canada exported 5.4 million bu. of barley to Japan, compared with less than 1.5 million bu. in the corresponding period a year earlier. Japan this year has been Canada's third largest buyer of barley, ranking after the U.S. (15.6 million bu. in eight months), and the U.K. (10.3 million bu.).

The future? The Japanese demand for barley as a rice additive might decline, because of the trend toward wheat consumption. But Japan's population continues to grow rapidly, while her agricultural output — despite last year's freak bumper crop — remains fairly static. Japan, it seems, will be looking to Canada for more and more of the food needed to feed more and more mouths.

Japanese cameras and optical goods were featured in a traveling display, held for two weeks at Toronto's Japan Trade Center recently. Here, executive director Tsurunosuke Ijima of the Trade Center demonstrates microscope to Terrie Yamanaka.

They Tell Japan's Trade Story

Toronto Center Busy With Importers, Exporters

Canadian enquiries about Japanese merchandise and Japan's productive facilities are now funelled through the recently established Japan Trade Center in Toronto at the rate of about 300 a month.

This count includes only enquiries from importers, merchants and manufacturers, says the Center's Executive Director, Tsurunosuke Ijima.

Toys and textiles top the list of most-asked-about products, but cameras, photographic equipment, optical goods, scientific instruments and electrical components and appliances are running Japan's traditional exports a close race.

In addition to acting as information brokers for Canadian importers and traders, the hard-pressed Trade Center staff do their best to answer thousands of questions posed by the consuming public — including the potential customer who wanted to buy an abacus, with instructions in English.

A wide variety of demands are reflected in the Center's records: iron valves and safety pins, lily bulbs and watchmaker's tools, industrial drills and frozen fish, bird cages and office equipment are a few of the items Canadian merchants are looking for in Japan.

A Manitoba lodge-keeper has requested a price on Japanese-made Fiberglas boats, a Montrealer is thinking of establishing a dealership in Japanese automobiles and an enterprising Torontonian is looking for celluloid butterflies "that fly by use of rubber bands."

Some of the requests may seem odd, but they all add up to a lively interest in international trade on the part of business-minded Canadian merchants.

Meanwhile, the two-month-old Trade Center at 83 Yonge Street is organizing special periodic displays of Japanese merchandise — in addition to its regular exhibits — which will interest traders and public alike.

Plan Camera Show

First of these special shows closes this week: a wide-ranging display of Japanese cameras, photographic equipment and optical goods scheduled for May 28 to June 9. This will be followed by an exhibit of Japanese fancy goods and sewing machines in August, industrial equipment in November and textiles next January.

Trade Center personnel are specially proud of the camera show, which dramatizes the successful invasion of modern technology by Japanese craftsmen. A negligible factor in Japan before World War II, the Japanese camera industry now employs some 20,000 highly skilled workers in more than 280 modern plants. High-speed 1/1000 sec. shutters, 8- and 9-element lenses of extra-wide angle, and single-window range-finders are among features that are popularizing Japanese cameras in world markets in competition with the best Europe can offer. Nikon, Canon, Rikoflex and Minoltaflex are just a few of the now-famous Japanese cameras represented in the display.

Undersea Wells Probe For Oil

Japan's first oil well for development of undersea oil resources is to start operation July 5. A 5,000-ft. slanting hole to undersea oil deposits is being built by Teikoku Oil Co., one of Japan's leading oil producers.

The well will be located on the Japan Sea coast in Akita prefecture. Three similar wells are to be dug between May and September.

Small Three-Wheel Trucks Among Japan's Big Exports

A British visitor, arriving at Tokyo's Haneda Airport, notices a number of familiar touches immediately. As he drives to his hotel, he finds that traffic keeps to the left just as in England. And there's a good chance that the taxi taking him there may be an Austin A-40 or a Hillman Minx.

The large numbers of apparently British cars on Tokyo's streets are proof of a successful partnership between British and Japanese industry. It's a partnership that has helped to make Japan's automotive industry, almost defunct a few years ago, an important new cog in the country's economic machine.

To swing into production as quickly as possible after the Occupation's rigid restrictions on automobile production were lifted, some of Japan's major manufacturers found a handy short-cut in contracts with such foreign producers as Austin, Rootes Motors Ltd., and France's Renault.

The foreign manufacturers supply many of the component parts to the Japanese factories. The remainder—more than 50% in some cases — are made in Japan, and the car assembled there.

This plan vastly reduced the time it took these Japanese manufacturers to achieve volume production. Problems of design, tooling and die-making were either eliminated or greatly simplified.

Other Japanese automotive companies have gone ahead on their own, producing locally designed cars and trucks which are winning a place for themselves in the export markets of Asia and South America.

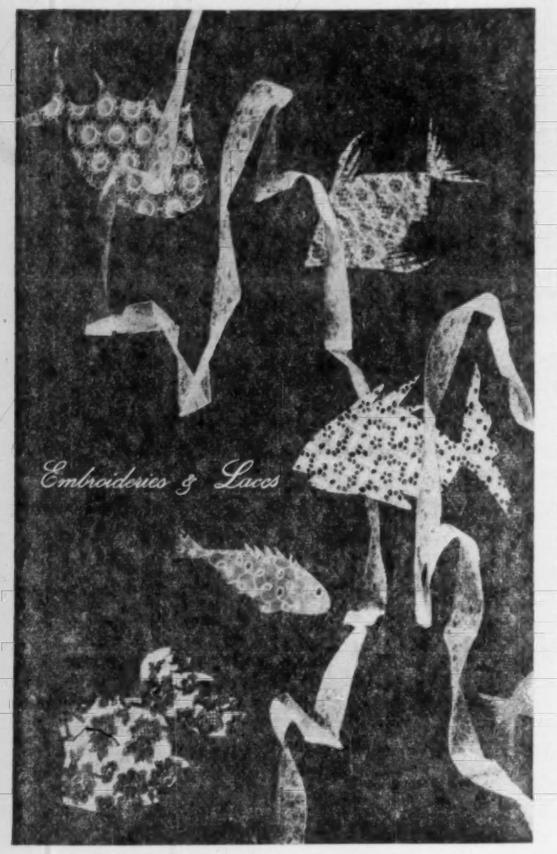
Toyota Co. last year introduced its second postwar model, the Crown. A six-passenger car powered by a four-cylinder, 1,435-cc engine, it sells for 1.2 million yen ($3,300) in the de luxe version. The Crown is a little smaller than standard Canadian cars, a little bigger than most British light cars. Toyota plans to boost production rate, now 4,000 a year, to 12,000.

Passenger cars have found a better export market in Chile and Brazil than in the closer-to-home countries of Southeast Asia, where road surfaces are often too rough for the light Japanese cars.

Trucks and buses from Japanese factories, on the other hand, are just as much at home on Thailand's trails as on Tokyo's crowded streets. A small, semi-enclosed three-wheel truck—actually first cousin to a motorcycle—has become Japan's best-selling vehicle both at home and abroad.

In both bus and truck manufacture, the trend is toward diesel and away from gasoline engines. Last year, for instance, 8,610 diesel and 13,740 gasoline trucks were produced in Japan. This year, production schedules call for 12,000 each.

Increased demand for military vehicles for Japan's Self-Defense Forces will give an extra boost to the automotive industry this year. Over-all production is expected to be 30% greater than 1955's output.



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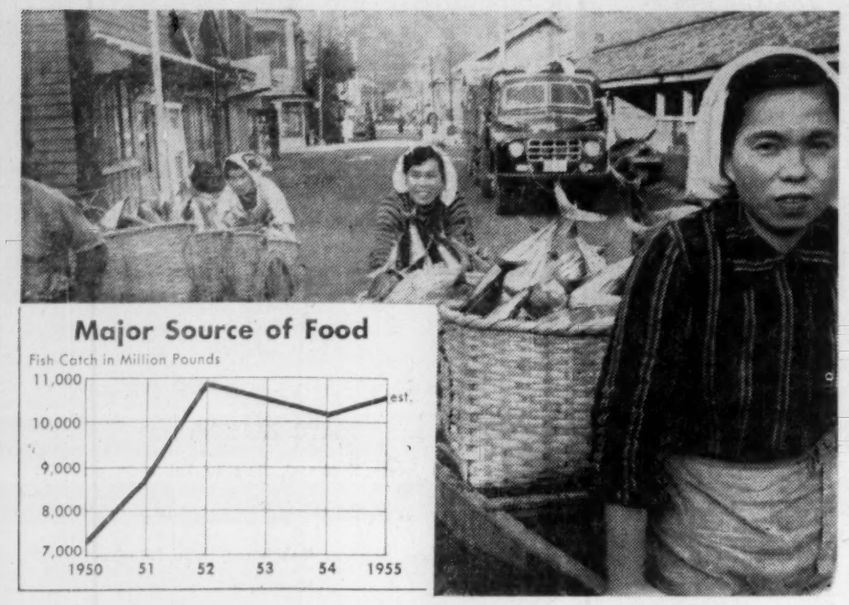

Island Nation Fishes to Live

Japan's deep-sea fishing industry last month surmounted the latest in a long series of obstacles.

In Moscow, Japan and Russia on May 15 signed a North Pacific fisheries agreement which cleared the way for Japanese fishing craft to catch salmon and trout in North Pacific waters this season. The season began the same day, lasts about 100 days.

In March, Russia had issued a proclamation severely restricting "foreign" (i.e., Japanese) fishing in the salmon waters of the North Pacific, the Bering Sea and the Sea of Okhotsk.

Under the interim treaty signed last month, Japanese fishermen may catch 65,000 tons of salmon this year in these so-called Russian waters.

This is 30% below normal, leaders in the Japanese industry say, and is a $40-million blow to their 1956 earnings.

In return for modification of the Russian stand on fishing rights Agriculture and Forestry Minister Ichiro Kono, head of the Japanese delegation to Moscow, committed his country to resumption by July 31 of the stalled Russo-Japanese negotiations, on resumption of diplomatic relations. (Japan holds that a peace treaty should come first.)

In her deep-sea fishing, Japan is no stranger to obstacles. One is the Rhee Line around the Republic of Korea, which bars Japan from highly productive waters not far from her home shores. A long-standing source of trouble with Red China was the right to fish in the East China Sea, until a private agreement signed a year ago stipulated the times when craft of each country could fish in those waters, the number of ships which might be used, and the mutual rescue services to be established.

Fish to Live

Since 1952, when postwar restrictions on her deep-sea fishing ended, Japan's fishing industry has been climbing back to its accustomed role as the largest in the world. Its importance stems from the one ever-present reality of Japanese life — her enormous population.

Literally, Japan must fish to live. Neither her severely limited agriculture, nor her food imports, could begin to take the place of fish.

Through centuries of experimentation, the Japanese have learned to make the fullest use of whatever food the sea provides them. Fish, in fact, occupies much the same place in the Japanese diet that meat does in the Canadian.

Katsuobushi, or dried bonito, is used in making soup stock. Dried squid, cut into small pieces, serves as chewing gum. Octopus is popular for its peculiar taste. Eel, broiled in soy-sauce and eaten with rice, is an expensive delicacy.

Fish and shellfish supply more than 80% of Japan's total consumption of animal protein. Increasingly, fish are the source of a greater part of her export earnings, too.

Sales of tuna to California canneries have been so brisk that they have aroused complaints from U.S. competitors, and the Japanese Government has therefore included tuna among the exports which she voluntarily restricts.

A Leader In Output Of Movies

The greatest theatre-building boom in Japan's history is still gathering steam, despite the fast-growing popularity of TV.

The Japanese are among the world's most avid movie-goers. Last year, they spent $153.1 millions at the box offices for 877 million tickets—nearly 10 admissions for every individual in the country.

Some 700 theatres were built during the year. At the beginning of 1956, there were 4,110 permanent theatres and another 780 occasional or seasonal houses. Total seating capacity was 2.4 million, or about 480 per theatre.

Spurred on by last year's 13.5% rise in box office gross, and by increasing prosperity throughout Japan, theatre owners are expanding their chains on an unprecedented scale this year.

Nearly all movie houses are owned or controlled by one or another of Japan's six big film production companies. One of these, Shochiku, is building this year's most elaborate new picture palace in Tokyo—a block of four adjoining theatres, the largest one with a seating capacity of 2,000. Upon completion of these and others now under construction, Shochiku will own 70 theatres and control more than 1,800 contract theatres throughout Japan.

Shochiku's president, Shiro Kido, is not a man to be satisfied simply because business is good.

"I still wonder," he announced recently, "why all of the money wastefully spent in pinball parlors could not have been channeled into the movie houses."

(Japan's numerous and noisy pinball parlors do a thriving business. A winning combination pays off not in cash but in more pinballs.)

Output Climbing

Whatever the reason Kido seeks, it could not be a shortage of movies to choose from. Japan is the world's leading producer of films, in terms of volume. Last year her studios turned out the staggering total of 422 features, or eight per week—an increase of 55 over 1954's output.

Busiest studio was Toei, with 106. Shochiku produced 68, Daiei 59, Shintoho 51, Nikkatsu 53, and Toho 39. Another 46 films were produced by 17 small independent studios.

Although such pictures as Toho's "Samurai" and Daiei's "Gate of Hell" have distinguished themselves at international film festivals and brought substantial dollar earnings to Japan, the Japanese movies are more remarkable for quantity than quality.

Average production time is about one month. Budget for the typical film ranges between $30,000 and $90,000, although top quality productions in color may run to $350,000. Costs, including stars' salaries, are extremely low by Hollywood standards.

Given low production costs, control of theatres, and the well established Japanese habit of movie-going, it is virtually impossible for a company to lose money on a film production, regardless of its quality.

Domestic business has, in fact, been so good that Japanese movie-makers have neglected the export market. A few films, such as "Rashomon" and "Ugetsu," have had successful showings in Canada and the U. S., even without their producers' promotion.

Glenn Ireton, a Canadian who now edits and publishes Far East Film News in Tokyo, blames the lack of competition for Japan's failure to merchandise its films more aggressively.

"The major drawback that Japanese product is experiencing abroad is the lack of insitutional publicity," said Ireton.

"They don't realize they have more than a picture to sell in the foreign market. They have a country and a culture to sell, which are strange to western eyes and ears."

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Quietly but effectively, professional inspectors are working to guarantee the high quality of Japan's exports.

Through government organizations, or as independent consultants, these impartial experts look after the interests of businessmen thousands of miles away. It is their job to examine exports before the goods leave Japan, to see that the foreign customer gets exactly what he ordered from the Japanese supplier.

From the Japanese point of view, this service is a big factor in persuading the rest of the world that Japan can and does produce high quality goods. To the customer, it means the removal of doubt at relatively little cost.

Because Japan's ways of doing business are different from those of the West, the inspectors' role is an especially important one. Units of measurement are not entirely the same as in other parts of the world. Most exports are handled through trading firms, rather than directly by the manufacturer. Uniformity and interchangeability of parts are unheard of in some industries.

The Japanese Government maintains a total of 1,066 expert inspectors at 71 communities throughout the country. They inspect silk fabrics, rayon filament fabrics, embroidery lace, tea, mandarin oranges, beans, rice straw matting and grass matting.

All other commodities may be inspected before shipment on behalf of foreign customers by private inspection "organs" — companies or individuals — registered with the Government. There are 45 such organs — 12 specializing in machinery, 16 in textiles, four in agricultural, forestry and sea products, and 13 in sundry goods.

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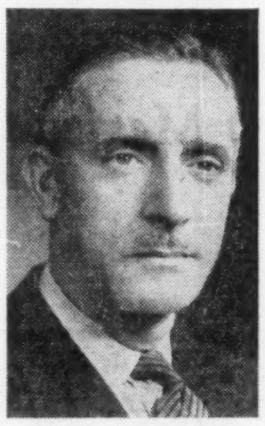
A Canadian View:

A special statement written for The Financial Post's Report on Japan.

By J. L. MUTTER
Commercial Counselor
Canadian Embassy, Tokyo



Mr. Mutter

I welcome this second Japan issue of The Financial Post and feel certain that it will add to The Post's record as a contributor to a better understanding of Canada's trading partners.

Japan is Canada's third best customer. It is important for us to understand our buyers' problems in order to maintain mutually satisfactory trade relations.

With generous United States aid, Japan has come a long way in re-establishing herself in the postwar world. With a population of some 90 millions struggling for existence on a cultivated land area equal to the land area of Newfoundland, this country has managed to maintain for its people the highest living standard in Asia. Although Japan's natural trade channels with the Asian continent have been largely blocked, new trade patterns with the North American continent have so far, filled the gap.

The Canada-Japan trade agreement signed in 1954 has contributed to a better trade flow between the two countries. By that treaty, Canadian exports are granted Most Favored Nation treatment by Japan and we are assured that there will be no discrimination against Canada with respect to a list of nine important Canadian export products.

On our side we extend Most Favored Nation treatment to Japanese goods. Although in 1955 we sold 2½ times as much to Japan as we bought, the trade gap has narrowed considerably since the Agreement went into force.

Japan is making strong efforts to improve the quality of her export merchandise and to bring her commercial practice into line with accepted international standards. In recent months careful attention has been paid to regulating Japanese exports so that they do not saturate the market or conflict unfairly with domestic industry.

Japan with her large population and her highly developed and expanding industries represents a continuing and large market for the bulk foodstuffs and raw materials which Canada can supply. On the Canadian side, it is increasingly recognized that if we wish to sell to Japan, we must give Japanese goods equal opportunity on the Canadian market. As this issue of The Post clearly reveals, Japan is in a position to supply many of our needs.

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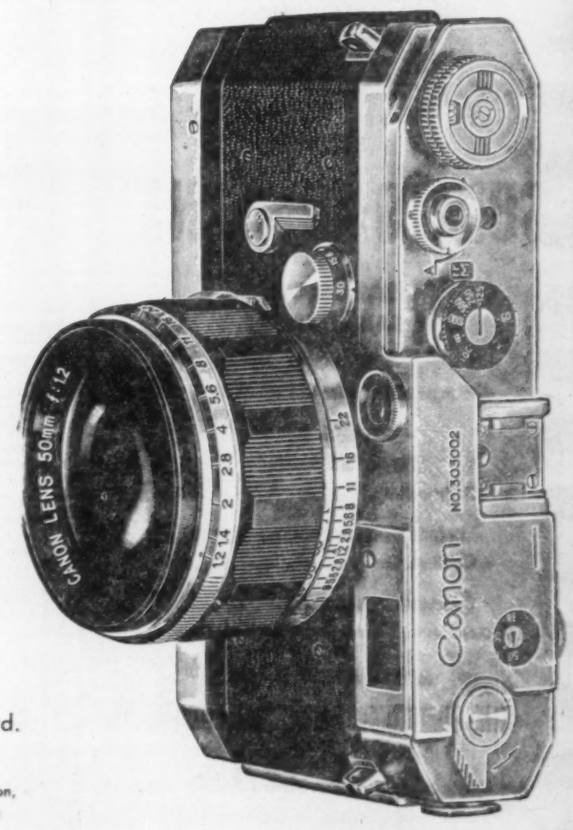

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How Japan Works Foreign Exchange

Japan needed a miracle last year — and it came. This year, she's planning to get by without miracles.

The 1955 miracle: Rice.

Last year's history-making rice crop was like manna to the faltering Japanese economy.

It meant a big saving in food imports, always a heavy drain on Japan's foreign exchange holdings.

It meant more ready cash in the hands of farmers.

That money — some of it put into circulation by the farmers, the rest put into circulation by the banks who were guarding it for the farmers — sparked a business boom. The boom has lifted Japan's economy out of the depression that the Government's 1954 deflationary policies of "retrenchment" had brought on.

This year, the business machine is running smoothly once again. Nobody is counting on another miracle harvest of rice. Instead, emphasis is on orderly expansion of domestic production and exports, and a liberalization of artificial barriers to Japan's trade with the rest of the world.

How Controls Work

Japan's central bank exerts some pressure on money rates through offerings of "foreign exchange certificates." All foreign exchange holdings received in trade must be surrendered to the Government in exchange for yen. The Government's collections of foreign exchange rode the crest of the current export wave to reach a total of $1,360 millions at March 1, 1956, a gain of $277 millions in only 14 months.

The Government sells its foreign exchange certificates, backed by its foreign exchange holdings, to the central bank for yen. The Bank of Japan then offer them to the commercial banks at somewhat less than the going interest rate for call loans.

The commercial banks are under no obligation to invest their temporary surplus funds in these certificates, but because there are few other outlets for surplus cash the commercial banks usually absorb each offering. Effect of this is gradually to force interest rates lower.

Foreign exchange is the lifeblood of foreign trade, and the Government's foreign exchange allotment system is one of its most effective tools for controlling the country's entire economy. In theory, all dollars and sterling earned go to the Government. From its holdings, it hands out foreign exchange for approved uses by approved importers.

As Japan's foreign exchange holdings mount, so does the pressure for convertibility of the yen — that is, the right to exchange yen for other currencies at will. Demand is particularly strong from businesses which must import in substantial quantities.

More Dollar Imports

The Government's answer has been to increase by nearly 40% its allocation of dollars for imports during the April-to-September period of this year, as compared with the corresponding six months of last year.

To permit imports of more raw materials needed for an expected 7% rise in industrial production, and to help snuff out the threat of an increase in consumer prices, the Japanese Government will allow industry to spend more than $1.5 billions in foreign markets during the current period — the highest dollar expenditure for any six-month period ever sanctioned by the foreign exchange controllers. Here's how the money is to be spent:

	April-Sept. (inc.) 1956	1955
Imports:	($000)	
Foods	300,258	290,069
Salt & tobacco	9,503	7,077
Lumber	17,789	11,297
Hides, skins, fats, resin	30,127	22,044
Textile raw materials	327,792	260,408
Fertilizers & raw mat.	29,130	19,673
Coal	45,998	28,543
Iron & steel raw mat. (ex. coal)	102,492	51,050
Non-ferrous metals & ores	49,335	13,449
Petroleum	93,318	66,898
Chemicals & materials	4,089	1,662
Medicines & agricultural chems.	2,927	3,551
Machinery & metal goods	129,200	33,032
Raw materials for processing	32,000	25,000
Barter imports	10,000	12,000
Goods del'd. to U. S. Army	5,000	8,510
Re-export goods	1,000	700
Miscellaneous	73,042	47,037
Automatic approval imports	230,000	155,000
Reserves	50,000	50,000
Total	1,543,000	1,107,000

Total for the 12 months ending next March 31 is expected to be $3,050 millions, up from $2,620 millions in the 1955-56 fiscal year.

But convertibility still lies over the horizon.

"Our Government wants to liberalize our imports as much as possible," Takashi Ihara, executive director of the giant Bank of Tokyo, declared. "But I myself think we should have at least $1.5 billions in foreign exchange holdings to liberalize Japanese trade and restore convertibility." (Holdings now are about 10% below that figure.)

Ihara added: "Japan is one of the marginal exporters in world trade. Our exports will be the first to suffer in a world depression, because we export textiles and miscellaneous merchandise. For instance, we lost $300 millions in 1953 when the sterling area restricted its imports."

Nevertheless, Japan is being pushed toward convertibility by the momentum of her remarkable economic progress. The yen strengthened on the Hong Kong free money market from 430 to the dollar to 380 during 1955 (official rate is 360) — an unofficial but significant indicator of its wide acceptability.

The first steps toward convertibility may be designation of the yen as settlement currency in an Asian payment organization, and its use by the Government in settlement of long-term credits.

When the yen recovers an accepted place in world finance and Tokyo is revived as an Asian foreign exchange market comparable to Hong Kong, then Japan will be ready to take her place as a full and unfettered partner in international trade.

The Internal Problems

Belatedly, capital investment is catching up with the swift rise in corporate profits and personal incomes. The Government forecasts an 8.7% rise in private capital formation in 1956, compared with last year.

Investment in industrial equipment, including retained earnings, last year dropped by 16% from 1954's total, while industrial production was rising in almost the same proportion. Japanese businessmen had apparently decided that 1955's prosperity was a golden opportunity to consolidate, repay loans, and generally tidy up their financial affairs, rather than expanding their enterprises.

Over-cautious? Perhaps, but borrowed money is expensive in Japan, and a borrower's haste to free himself of debt is at least understandable. Interest as high as 19% is charged on Japan's black market in money, to which exporters frequently have recourse. (This near-usury almost eliminates their profits as exporters, but their export activities give them the right to import such profitable commodities as sugar, rubber and spices.)

Interest rates of 10% to 12% on ordinary commercial loans were common at this time last year. Industrial activity was sluggish, and banks were choosing their borrowers with great care.

Banks Ease Rates

Today, the shoe is on the other foot. The commercial banks have virtually wiped out their indebtedness to the central bank, which stood at 400 billion yen ($1.1 billions) early in 1955.

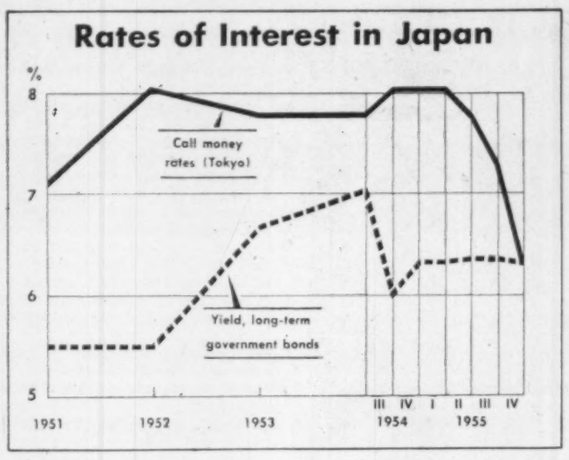
To put their yen to work, the commercial banks are easing not only their interest rates but also the eligibility requirements for loans. The two special banks which deal exclusively in large, long-term loans, are following suit; the electrical industry now obtains money from these banks at about 9%, compared with the 11% interest rate prevailing a year ago.

One effect of the drop in interest rates generally has been to bring down the yields on common stocks — from an average of 8.35% a year ago, to about 6.35% now. Stock prices, on the other end of the investment see-saw, have been pushing upward, and it is becoming a little easier for corporations to obtain money through equity issues.

Only 25% of new investment capital was raised through public offerings of stock and bonds, in 1954. Banks, insurance companies and other financial institutions supplied another 60%. The remaining 15% came from government-held funds — the Small Business Finance Corp., Japan Development Bank, Export-Import Bank of Japan, Post Office Savings Bank, and similar sources.

An important external source of finance for certain large corporations has been the International Bank for Reconstruction & Development. Early this year it made an $8.1 million, 15-year loan at 4¾% to the Japan Development Bank, which has passed the funds on to Nippon Steel Tube Co. ($2.6 millions), Toyota Motor Co. ($2,350,000), Ishikawajima Heavy Industries Co. ($1,650,000), and Mitsubishi Shipbuilding & Engineering Co. $1.5 millions). The loan, guaranteed by the Japanese Government, will be used to finance the importation of machines and tools costing $25.5 millions from the U. S., U. K. and Western Europe.

Total of loans made by the World Bank to Japan is $53.6 millions, including a $40.2 million loan in 1953 for construction of thermal electric power stations.



Fast Growth Features Fine Camera Industry

Yesterday just a novelty, today the Japanese camera vies with the world's best. Its swift rise to an accepted place among expert photographers everywhere tells the story of an industry's transformation almost overnight.

Before World War II, Japan's camera plants were producing about 5,000 simple cameras monthly. The majority of them were little more than toys.

At this time, Japan was fighting China, and the output of her skilled optical instrument makers was concentrated in such military requirements as binoculars and aerial cameras.

World War II brought a complete halt to the already meagre manufacture of personal cameras. But it focused scientific attention on the manufacture of lenses and prisms, through the production of optical arms.

Here the Japanese found a new outlet for their manual dexterity, acquired through the centuries in such painstaking arts as the making of cloisonné, porcelain and fine textiles. When these skills were directed toward the development of optical goods, rapid advances were made in the production of top quality lenses.

There was little demand, either domestic or foreign, for Japanese cameras during the early postwar years. But by 1948, the readjustment period over, Japan's people began once more to think of hobbies. Camera sales started to climb.

Boom in 1950

Outbreak of the Korean War in 1950 brought thousands of westerners to Japan in the ensuing years. Like travelers everywhere, they left laden with souvenirs — frequently kimonos for their wives, cameras for themselves.

This, more than anything else, helped to build a new reputation for Japanese cameras and lenses abroad. At the same time, prosperity at home was boosting the domestic demand.

The visitor to Japan can hardly fail to be impressed by the wholehearted fashion in which the people have embraced photography. A camera has become as indispensable to a Japanese, it seems, as an umbrella is to an Englishman.

Japan has some 80 camera makers with 280 factories, but 90% of production is concentrated in about 20 companies. Giants of the industry are Canon and Nikon, both famed for their superb 35-mm cameras.

Canon, in its sprawling factory between Tokyo and Yokohama, employs 1,100 workers to turn out upward of 3,500 cameras a month. Total production in the industry last year nudged over the one-million mark for the first time.

Most of the big firms in the industry are integrated producers. They manufacture and assemble their own lenses, shutters, chassis and all other parts and accessories. In Germany, on the other hand, the various components are usually made by outside specialists, then assembled at the plant whose name goes on the camera.

35-mm Leaders

Japanese production is dominated by the 35-mm camera, many with focal plane shutters. The heavier twin-lens reflex cameras have been declining in popularity, but still account for about one third of total sales.

One manufacturer, no doubt trying to please everybody, recently introduced a twin-lens reflex 35-mm camera. Another offers a 140-deg. wide angle camera in two versions, at $150 and $220, "Baby" or novelty cameras, at one time the mainstay of the industry, now represent a negligible fraction of its output.

But the manufacturers are aware that the stigma left by the cheap cameras of the past has not been entirely wiped out in the minds of some photographers. Therefore, to ensure a high standard of quality for the export market, the industry in 1954 established a testing association; every camera to be exported must undergo a rigid inspection first.

A Japanese camera service centre was opened Dec. 1 in New York, camera capital of North America. It maintains a supply of repair parts for all makes. Canon Camera Co. last July became the first Japanese camera manufacturer to establish its own factory branch in New York.

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110 million by 1990?

Japan's population, now increasing at the rate of 1.5 million a year, may level off at 110 million in 1990. Population reached the 90-million mark about April 1.

The Japanese Ministry of Welfare's Institute of Population Problems estimated in 1949 that Japan would have 127 million people by the end of the century. But a sharp decline in the natural rate of increase — from 2.0% in 1947 to 1.2% in 1954 — has prompted demographers to change their thinking about Japan's future.

The country's crude birth rate declined from 34.3 per 1,000 in 1947 to 20.0 in 1954. The drop is attributed largely to the Eugenic Protection Law, passed in 1948. It made abortion and other birth-control measures available to all Japanese.

Looking to the future of Japan's labor force, demographers predict that the country will have 33.8 million men between the ages of 20 and 64 in 1980. That's an increase of 14 million over the 1950 total.

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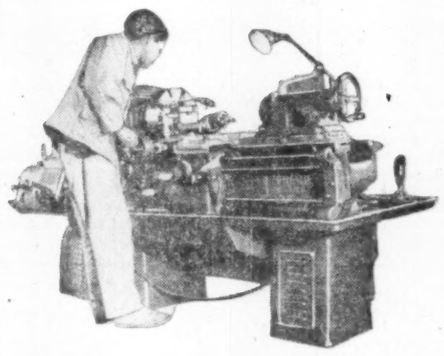

Since the end of the war, the *new* Japan has become one of the world's most modern and productive nations. Today, Japan turns out a large variety of high-quality goods — from the finest precision instruments to heavy industrial equipment. Her engineers and scientists are forever striving to improve designs — to perfect quality.

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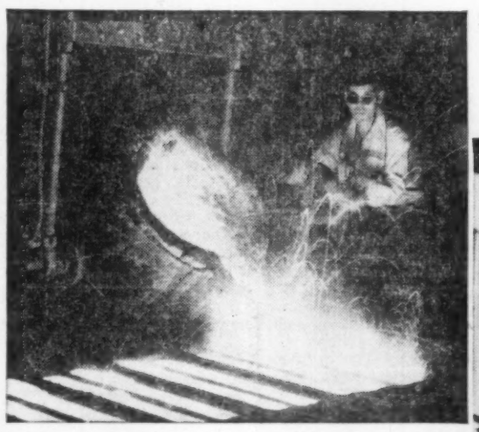

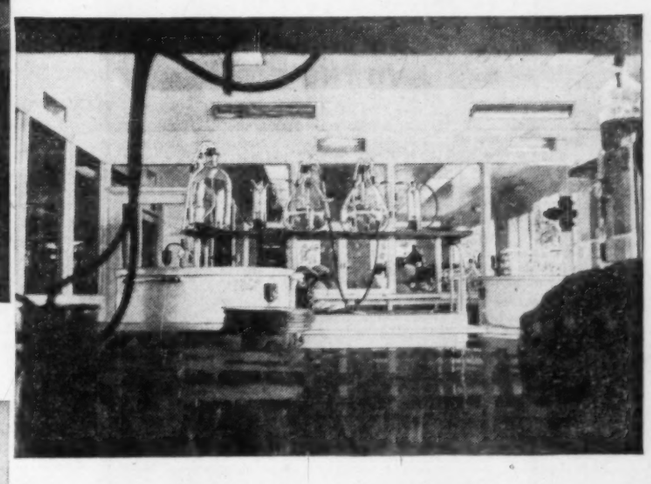

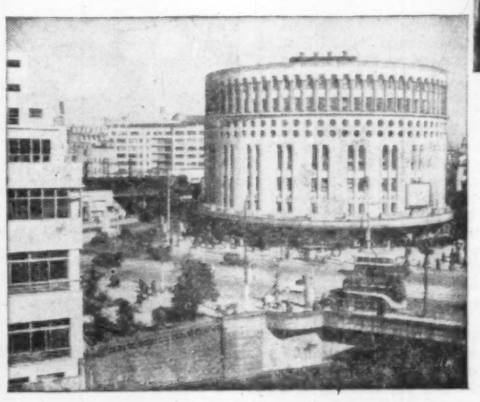

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THE NEW JAPAN

'Most Blessed Instrument'

Sewing Machine Is Japan's Fastest Growing Industry

It's been late in arriving, but the Parisian influence has now gained a permanent foothold in the Japanese fashion world.

In the big cities, western-style fashions are worn with a new assurance. The kimono and the obe are still seen frequently, especially on ceremonial occasions and at national shrines.

But along Tokyo's Ginza and Osaka's Shinsaibashi, chic Japanese maidens today seem almost indistinguishable from their cousins on Yonge Street or St. Catherine.

Like all changes in fashion, this trend has brought the benefit of new business to the textile industry. And, since "do it yourself" is the Japanese way, it has been a big factor in the rapid growth of sewing machine sales.

Dry-goods stores are just about as common in Japan as drugstores in Canada. Normally, a new dress is turned out on a sewing machine at home rather than being picked ready-to-wear from a shop's rack.

When World War II ended, Japanese women were ready to buy all the sewing machines that could be produced. None had been available during the war, and the number in use had fallen by about one million.

Many of Japan's war-born manufacturing firms, ready to switch from swords to plowshares, went into the production of sewing machines—an appliance recently described by exporter Yoshitsugu Okuyama as "humanity's most blessed instrument next to the plow."

Production of the blessed instruments is today 27 times greater than in 1947. That, manufacturers claim, makes theirs the fastest-growing post-war industry in Japan.

The industry grew so quickly, in fact, that it became the problem child of the Japanese economy. By 1953, overproduction had led to a price war at home, and a three-month ban on the export of machines to the U. S. in September, 1954—imposed by the Japanese Government in the face of threatened antidumping action by Washington.

Before lifting the ban, the Government required that the industry set up a "production adjustment association." The new trade group began functioning Nov. 1, 1955, and now sets quotas, approved by the Government, for exports to the dollar area and to the rest of the world. Floor prices are also set by the association.

For the first half of the current fiscal year, April to September, the association and the Government have limited exports to the dollar area to 25,000 sewing machines a month, and to other areas, 48,000.

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- STAINLESS STEEL PRODUCTS — Kitchen Utensils, Flatware, Barbecue Tools, etc.
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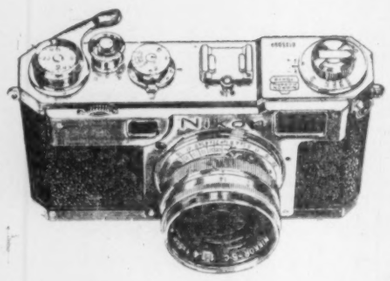

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Zaibatsu Revival Seen Power In Foreign Trade

There's a new factor in Japan's economy — or more correctly, an old factor, newly revived.

That factor is the zaibatsu, Japanese name for giant industrial combines. Before the war, these were vast economic empires made up of interlocking cartels and combines, with a bank at the head. Today they are similar in outline, smaller in scope.

The prewar zaibatsu flourished by making fuliest use of the characteristic Japanese tendency to function in groups rather than individually. They brought tremendous accumulations of capital to support a world-wide trade.

One of General MacArthur's first official acts on reaching Tokyo in August, 1945, was to abolish the zaibatsu. At a stroke, he broke one of them into 110 separate companies, another into 90.

Deprived of managerial skill and working capital, and forced to stand on their own when Japan's economic fortunes were at their lowest ebb, most of the small new companies floundered.

In the past few years, the small companies have tended to drift together again. Now the movement is gathering momentum. On July 1, the two biggest trading firms, Mitsui Bussan and Daishi Bussan, are to merge into a single company to be known by the prewar name of Mitsui Bussan Kaisha (MBK). Potential trading volume will be $750 million a year.

It is only in this way, say the Japanese, that Japan can carry on international trade. Money, in generous quantities, is needed to finance imports and exports, and to maintain trading offices abroad.

Secondly, administrative skills and experience of a high calibre are needed to cope with the problems of expanding trade. The Government's view — unexpressed but evident in its policies — is that a comparatively few big, powerful organizations can accomplish more than a multiplicity of small firms, in restoring Japan's trade.

Japanese businessmen are gregarious people, at their best when working with associates.

Security and prestige are important in the Japanese scheme of things, and the zaibatsu have traditionally offered both to their employees. Before the war, the ambition of many university graduates was to find a lifetime job with a zaibatsu combine such as Mitsui or Mitsubishi.

But the prewar of zaibatsu is not the postwar form. Before they were broken up, the zaibatsu were family-owned enterprises.

The new zaibatsu, in their emerging form, have a wide-spread stock ownership, and their shares are actively traded on Tokyo's booming stock exchange.

From all indications, they'll have an increasingly important role to play in Japan's foreign trade.

3 Million Sets Is Market Potential Of TV Industry

Just starting the growth pattern so familiar in Canada, television in Japan is on the threshold of a rapid development. Five stations are already operating, two more will begin telecasting within the next few months, and 29 stations are seeking licenses.

Output of picture tubes and completed sets has been climbing sharply since the beginning of last year. Last November, production rate hit 20,000 sets a month.

Officially, the Ministry of International Trade & Industry predicts that this rate will be maintained throughout 1956, and rise to 25,000 a month next year.

Unofficially manufacturers are sure that they can produce and sell a much heavier volume.

By now, about 1% of the nation's households have TV. Prices are high by Canadian standards — about $220 for a 14-inch screen — and even steeper when judged by Japanese wage scales. High cost of electricity for domestic consumption also puts a damper on sales.

Factory prices have been cut by nearly half since Japan's first TV station went on the air three years ago, but are still beyond the average worker's ability to pay. Appliance dealers make a generous margin of profit on each sale, however, and are in no hurry to reduce prices.

The government's own figures for license sales and factory production tell the success story of the Japanese TV industry:

Future scope of the TV market is shown by a comparison with radio. Nearly 13 million Japanese are now paying subscribers of Japan Broadcasting Corp. Market researchers predict that there will be one TV set for every four radios when the pioneering period ends in a few years.

Japanese Views:

By TANZAN ISHIBASHI
Minister of International Trade and Industry

Hon. T. Ishibashi

It is a matter of great pleasure to the Japanese Government, that The Financial Post, a leading weekly newspaper in Canada, has published this second special edition on Japan, through which various aspects of our country - industry, culture and ways of life — may be introduced to the people of Canada.

Japan and Canada are separated by a wide ocean — the Pacific — but science is making steady progress in annihilating the vast distance. As the result, the two countries have been brought closer together as "good neighbors" and mutual trade has been steadily increasing year after year. It is expected that the volume of our trade will continue to grow in the future.

However, Japan's imports from Canada have been far in excess of her exports so far and this unbalanced trade situation is anticipated to continue for the time being. Consequent on the phenomenal advance accomplished by our industries, Japanese products have been, and are being, markedly improved in quality with the result that a favorable reputation is being earned around the world. We are able to find, therefore, some reason for a degree of optimism as to the future.

We sincerely hope that this special issue would afford Canadian people an opportunity to gain a better understanding of Japanese industry as well as its products and be instrumental for the furtherance of trade between the two countries.

By MAMORA SHIGEMITSU
Minister for Foreign Affairs of Japan

Hon. M. Shigemitsu

I am happy to avail myself of the opportunity afforded me by The Financial Post to send through its Special Report on Japan my cordial personal greetings to its readers and to the people of Canada.

It is most gratifying that the relations between Japan and Canada today are closer, firmer and more intimate than they have ever been.

The trade between the two countries is growing apace. Although Japan's imports from Canada exceed by far her exports to Canada, I am satisfied to learn that this trade imbalance is being rectified gradually as the years go by.

In any case, trade is not the only link that binds nations. In order to keep them friends, there must be spiritual ties of friendship and mutual understanding, sympathy and respect; and there must be a community of ideals for world peace and international cooperation.

In this respect the Government and people of Japan appreciate the friendly and helpful attitude toward Japan which Canada has consistently maintained in the councils of nations during these years past. Canada played a leading role in supporting Japan's accession to GATT, which was brought to realization last summer. Gallantly and vigorously has she championed Japan's admission into the United Nations, though in this case our aspirations are yet to be fulfilled. Let me assure the people of Canada that we Japanese will always have a warm spot for them in our hearts.

I welcome the publication of this Special Report, and wish to extend my felicitations to The Financial Post on their initiative and enterprise, which will serve to foster friendship and understanding as well as trade between Japan and Canada.

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Boost Tax Levy On Foreigners

Foreigners working in Japan are to lose gradually their income tax concessions. Until the end of 1955, they were taxed on 50 of their resident income, while their overseas income was tax-exempt.

The foreigners this spring heard the welcome news that the Government this year would tax only the part of their salaries received in Japan. Until this belated announcement came, it appeared that their tax burden was to rise abruptly to the domestic rate.

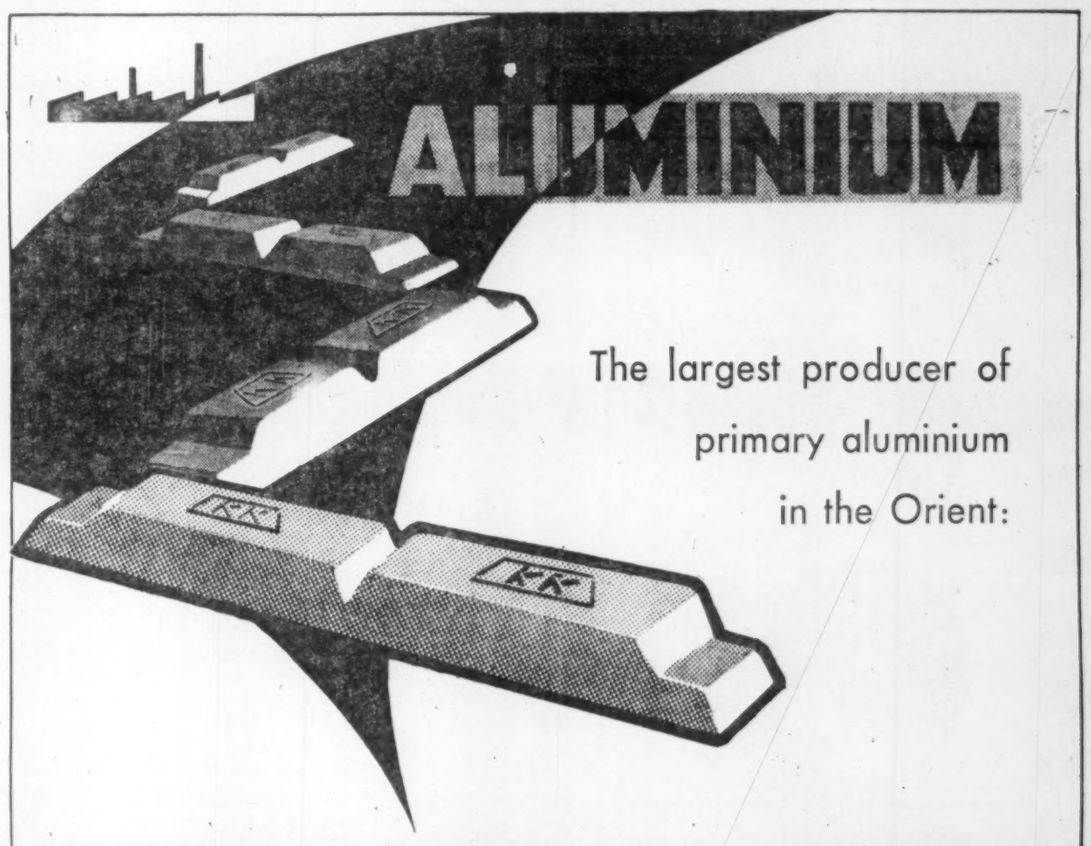
But the reprieve is only temporary. In 1957, minimum proportion of foreigners' total salaries to be taxed will be 60%, in 1958 80%, and in 1960 90%. Thereafter, tax will be levied on all income earned in Japan, whether paid there or overseas.

Plan Midget Car In Export Bid

Japan plans to introduce a threat to Germany's fast-selling Volkswagen in the small-car market. The new four-passenger car, scheduled for production later this year, will be about the size of a French Renault, and weigh 1,325 lb. Top speed will be about 60 mph., on a 400-cc to 600-cc engine.

The new model will sell for $1,250 initially, according to Toyota Motors, a leading Japanese car manufacturer. Company hopes to lower the price eventually to about $833 if demand justifies a step-up of the original production rate of 1,200 cars a month.

The small Toyota is the automobile industry's first attempt at an answer to the Government's appeal last June for a $700 car, which would use little gasoline—90% of Japan's supply is imported—and take up little room on over-crowded city streets.



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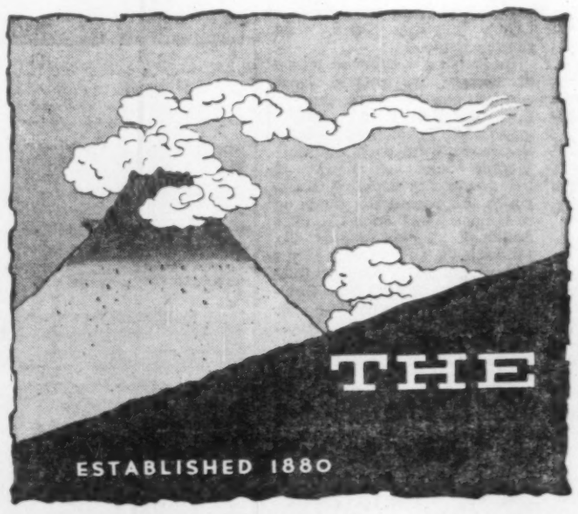

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Exports Control Big Fight

"Export or die."

That phrase has long been used to epitomize the most inexorable fact of life facing Japan as a nation.

The last war and its aftermath shattered Japan's exports. Year by year, she has struggled back to her feet as an exporting nation. She still is far short of balancing her trade with the countries she must buy from, especially Canada and the U. S. But last year many Japanese export commodities were finding buyers readily in those nations.

Then, suddenly, Japan ruled that exporters of several of her best dollar-earning products — including cotton goods, plywood and sewing machines — should "voluntarily" reduce their sales to eager North American importers.

Why? On purely economic grounds, such a move was entirely contrary to Japan's self-interest. But Japan knew that her competitors, especially in the U. S., were seeking action by their own governments to curtail the import of Japanese goods.

To forestall such legislative action, or even an unwelcome political debate over it, Japan introduced a strong new policy of restricting the exports which had given rise to complaints abroad.

With varying degrees of success, Japan has been exercising an indirect control of its export volume for many years by a floor price system. But this system had been weakened by the exporters' system of giving rebates. Then came 1955, with an increase in exports so sudden and so heavy that the old price floors collapsed.

The Dollar Blouse

From the viewpoint of the North American textile industry, the villain of the piece was the famous "dollar blouse." These blouses could be imported from Japan and sold here at one third to one half the domestic price. U. S. jobbers in 1955 ordered about 36 million blouses from Japan, 10 times as many as they had bought in 1954.

U. S. manufacturers complained, bitterly, and in Washington Senator Margaret Chase Smith introduced an antidumping bill aimed directly at Japanese textiles. The Canadian Government, it is understood, expressed to Japan its concern about the heavy volume of imports to this country.

Japan called upon its blouse and shirt manufacturers to take their own corrective action. When they were unable to agree on a quota that would restrict their fast-growing sales as much as the Government wanted, the Government stepped in.

As a result, exports this year are being limited to 30 million blouses, although Japanese manufacturers have the capacity — and a ready market in North America — for twice that number annually.

When the exporters of cotton piece goods met last December to decide on a quota for 1956, they found they had already accepted contracts for exports to the U. S. of 150 million sq. yds. for delivery up to June. They then set that figure as their export limit for the year.

(In Southeast Asia, where Japan is under no such restraint, Japanese textiles have won top place. The Singapore Chamber of Commerce, in its latest annual report, states that Japanese textile imports are dominating the market there, largely at the expense of Indian textiles. They have also taken business away from importers of British and Chinese textiles, although German manufacturers are competing more and more successfully with the Japanese, particularly in fancy textiles.)

When exports to the U. S. were curtailed, Japanese sales to Canada suddenly jumped. But the Japanese Government soon persuaded manufacturers to set new quotas for exports to Canada at about one tenth the U. S. quotas, or to establish a single over-all quota for the dollar area. The back door to the U. S. market through Canada was closed — for a while, at least.

One U. S. trade official, with long experience in Japan, summed up the situation in these words:

"After all, this is good, clean fun. You always try to beat the Government.

"The real problem came in getting this very large number of traders—Japanese, Canadian and American—to agree to the principle of voluntary limitation, and particularly to agree to the formula by which the individual shares would be taken. Whatever principle you adopt means advantage to one and disadvantage to another."

Tuna, Chinaware

When a bill to restrict U. S. imports of frozen tuna was submitted to Congress by Democratic Senator Warren Magnuson, an immediate offer to limit such shipments was made by Japan's Frozen Goods Export Association.

Japan has been supplying about 20% of U. S. tuna consumption. Dollars earned by the sale of raw and canned tuna to the U. S. have been about 10% of Japan's total income from exports to the U. S. for several years. They represent 100% dollar earnings, since no raw materials have to be bought with dollars. Imports of Japanese raw tuna help to keep operations going at many U. S. canneries which have no fishing fleets of their own.

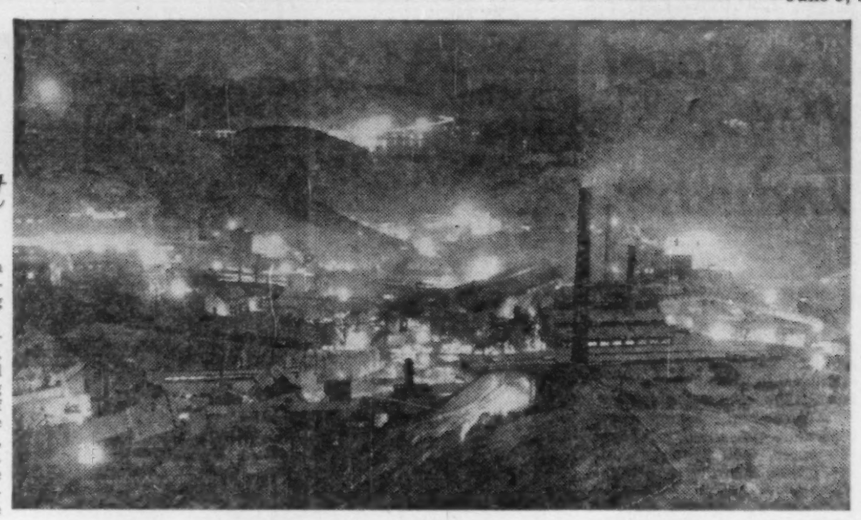
Since 1951, Japan has limited its exports of chinaware to Canada and the U. S. by means of a floor price for 93-piece dinner sets. In the fall of 1954, this was extended to include sets of six pieces, which North American importers had been buying in increasing numbers at prices proportionately lower than those on the complete sets. Both U. S. importers and their Japanese suppliers protested the extension of price curbs, but the Government made it stick in the interests of friendly trade relations.

Still another industry which has restricted its exports to the dollar market when sales were booming is the sewing machine industry — although in this case the Government has had to bring a good deal of persuasion to bear on manufacturers.

The Government's controls are not confined to the exporter at the end of the distribution system. They also affect the initial stage of production. The cotton spinning industry, for instance, was instructed to reduce its production by 12% of its capacity late last year. This spring, when prices firmed and domestic demand improved, the curb was reduced to an 8% curtailment.

Curbs Resented

A Japanese tends to feel a little self-righteous about his country's self-restraint, when he notes that both Canada and the U. S. each year sell a much greater value of goods to Japan than they buy from her. Too, the combined yardage of cotton fabrics and finished goods shipped to the U. S. last year was about 170 million sq. yds. (in terms of fabric), or less than 2% of U. S. production.



By day and night, Japan's steel mills are humming to keep up with the demand for steel-plate for her thriving shipyards, steel products for her foreign customers. Japan's steel industry now ranks with world's largest.

Japan Expands Steel Output

Canadian Buying of Casing Pipe Doubles in Year

Steel, Canada's major import from Japan, now ranks with cotton as one of the cornerstones of Japan's trade structure.

Total steel exports last year soared 67% over 1954 to reach a record 1,990,000 tons, valued at $259,528,000, according to the Finance Ministry's customs clearance statistics.

The Japan Iron & Steel Federation's figures paint an even brighter picture: Exports contracted for during 1955 reached an all-time high of 2,284,586 tons of iron and steel, valued at $316.1 millions.

With iron and steel in short supply in Canada throughout 1955, Canadian purchases from Japan climbed sharply. Our imports of Japanese casing pipe were valued at $3,445,431 ($1,487,152 in 1954); steel plates, $892,373; angles and beams, $632,157; pipe fittings and couplings, $333,207; and a substantial total in other forms of iron and steel.

Japan achieved her record export total despite a self-imposed curtailment of steel exports in the second half of 1955, when her booming shipyards began to run short of steel plate.

The steel industry's rise to a major place among world producers was spurred on four years ago by the challenge of the Schuman Plan to rebuild Western European production. Until then, the steel industry in Japan had been making only a slow recovery from the ruins of war.

More than $155 millions was then invested in modernization of rolling equipment, and another $150 millions in construction and expansion of other manufacturing facilities.

A second expansion program is now under way in the steel industry. Nearly $70 millions will be spent to keep abreast of advancing steel technology, and to boost output.

Evidence that the money has been well spent is contained not only in 1955 export figures, but in a comparison of last year's output with 1954. Production of pig iron rose 8%, steel ingots 10%, rolled steel 19%.

Rising Cost of Ore

Major problem facing the industry — and the users of iron and steel — is the rising cost of ore. In 1954, the steelmakers paid an average of $13.70 per ton for ore. Last year, the price climbed to an average of more than $17. In the first quarter of this year, it reached $19 and may go even higher before the year is over.

The price increases in ore have, of course, been passed on to shipbuilders and other steel buyers.

Even at the higher prices, the iron and steel industry is having difficulty in finding the 10.5 million tons needed to meet its 1956 production goal of 5.6 million tons of pig iron. Since Japan herself can supply one third of the ore required, the other seven million tons will have to be imported. (In 1955, Japan imported about 6,250,000 tons.)

Sources of Supply

The Japan Iron & Steel Federation has announced that the industry hopes to buy 1,930,000 tons of ore from Malaya, 1,750,000 tons from the Philippines, 1,200,000 tons from India, 700,000 tons from Goa, 140,000 tons from Hong Kong, and 30,000 tons from South Korea.

The remaining 1,250,000 tons needed would have to be bought from Canada, the U. S. and South America, the federation expects. Japanese iron and steel manufacturers are reported to dislike Canadian and U. S. supplies because of their content of sulphur, phosphate and other impurities. South American ore, they complain, is too costly.

Hardest hit by the price increases is the Japanese shipbuilding industry, which has enough orders on its books to absorb its entire capacity for the next two to three years. None of these orders have escalator clauses which would enable the shipbuilders to pass along the burden of higher costs.

This spring's steel increases will reduce by an estimated $20-$25 millions the shipbuilding companies' profits on ship contracts now on their books.

IRON AND STEEL PRODUCTION

	Pig Iron	Steel Ingot	Ordinary Rolled Steel
	(1,000 metric tons)		
1952 ..	3,474	6,988	4,874
1953 ..	4,518	7,662	5,419
1954 ..	4,608	7,740	5,592
1955 ..	5,039	8,532	6,658

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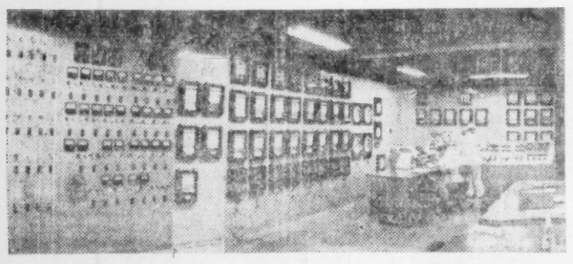

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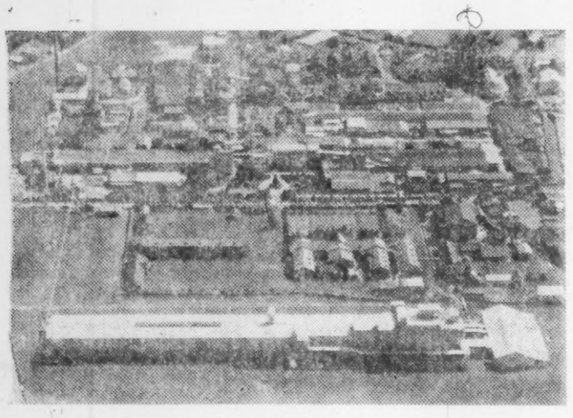

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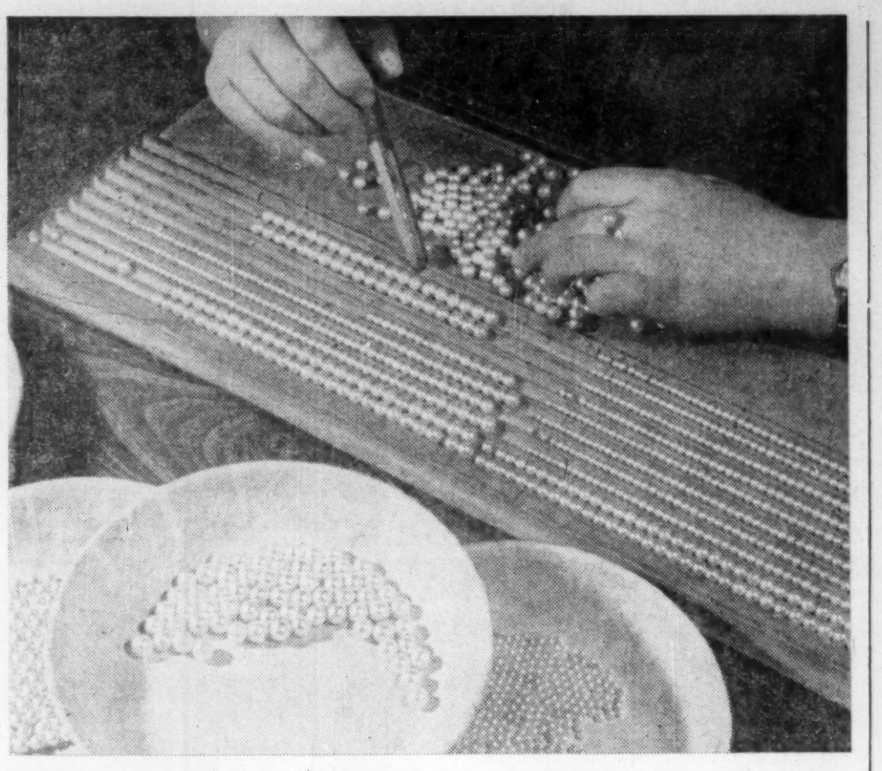

Sorting the gems by size and color is next-to-last step in creation of a fine pearl necklace. From its beginnings on a tiny island 65 years ago, Japan's cultured pearl industry has grown to a $5 millions-a-year giant.

For Japan's pearl industry, 1956 promises to be a year of recovery. Its operators have planned it that way, and indications are that their plans will be successful.

The industry's deepening troubles in recent years stemmed from two main sources:

—Over-production. Marginal operators, unskilled and inexperienced, took up pearl cultivation in large numbers beginning about 1951. The sharply increased competition led to a sudden drop in prices and to lower quality—both fatal where gems are concerned.

—Under-financing. Many cultivators, eager to boost their share of what had been a thriving market, went into debt beyond their financial capacity. As debts matured, they had to resort to dumping pearls which were not yet suitable for the market.

A processor must maintain a large inventory of pearls, to meet a jeweler's high standards of quality. If, for instance, 100 pearls are needed to make a necklace of graduated gems, the processor must have about 400 pearls of various sizes to make the proper selection.

For 1956, financing is now stronger. Nearly $3.6 millions has been made available by the Central Bank for Agriculture & Forestry to the pearl fishery co-operative association for its collective purchase of loose pearls.

Another $3 millions has been put up by the Central Bank for Commerce & Industry for the use of pearl processors and exporters. This will finance their purchases of loose pearls and strands, and help prevent distress selling for funds.

Production Scheduled

To restore production standards, the industry has scheduled its production for 1956. It plans to boost the output of types of pearls that have been in short supply, and to reduce the volume of those in excess supply.

A quality control board, with the strength of state law behind it, has been empowered to ban the export of pearls below a certain standard.

With an eye to the future, the industry and the government last year established a National Pearl Research Institute. Headquarters are on a cliff overlooking Ago Bay in Mie prefecture, Japan's pearl producing area. A marine laboratory stands on the isle of Tatoku, a mile offshore. A branch laboratory is in Omura, on Japan's southern tip.

It was at Tatoku that the famed Kokichi Mikimoto introduced pearl cultivation in 1890. He succeeded in producing semi-spherical pearls in 1894, and produced the first spherical pearls in 1913.

By the time of his death in 1954 at the age of 96, the Pearl King had seen his industry achieve a volume of $5 millions a year, and usage of the word "pearl" changed to mean his cultured pearls, rather than the natural gems, now nearly extinct.

Pearl Culture

There have been refinements in Mikimoto's methods over the past 65 years, but pearl culture is still basically the science he created.

The story of a cultured pearl begins, appropriately, with a girl. Known as an "ama," she dives to the ocean floor to catch mother oysters, found only in certain waters.

When the oyster has grown to maturity, from one to five nuclei—depending upon the oyster's size — are inserted in it. These nuclei are tiny round grains fashioned from pig-toe shells which have the same tissue as pearls. Shells originally came from China's Yangtze river, now from the Mississippi.

During the next two to five years, the pearl develops around the nucleus while the oyster is suspended underwater in a basket of vinyl-covered wire. The longer the breeder can afford to wait, the bigger the pearl is likely to be. But after five years' development, the gem begins to lose its luster.

As many as half of the seeded oysters may fail to yield pearls. And, of the pearls harvested, only about half are of marketable quality. No more than 3% of total production consists of large, perfectly round pearls with a high luster.

The suitable pearls are then classified by size, color and quality. Each bead is drilled with a fine hole, then graded according to size, finally strung into a necklace.

Yoshitaka Mikimoto, tall and slender, carries on his late grandfather's work in Tokyo as president of the family firm and as chairman of the Japan Pearl Promoting Society.

His company re-opened its New York sales office in December. A Canadian sales agency is to be established this year, he told The Financial Post recently.

"Our government and industry are going to continue to prohibit the export of what we call bad quality pearls," he said firmly.

Does this mean an increase in prices of pearls in Canada?

"Prices may go up a little as a result of this policy," he answered. "As a first step, we want to make the price quite stable."

Only the export price would be directly affected by this policy, he added. Retail jewelers in Canada are free to set their own prices on pearls imported from Japan.

Canada is still a small, but growing, market for Japan's pearls. Last year, Canadians bought $185,000, or 1.84% of total Japanese pearl exports of $10,040,000. In 1954, our share was $98,000 or 1.36%, and in 1953, $71,500 or 1.45%.

Japan Aids Her Neighbors

Asiatic Nations Offered Goods and Technical Skills

Having made giant strides in her own economic recovery, Japan is planning to share her prosperity.

The government and industry are now examining ways in which Japan can step up her economic assistance to her Asiatic neighbors, particularly those of South-East Asia.

That area has changed since the days when prewar Japan was the dominant power. It is outgrowing the textiles and sundries that it formerly bought from Japan.

Today, South-East Asia needs producers' goods and technical skills. And, in many instances, those goods and skills are being offered to them by Communist China, and even by Russia.

That's why there's a sense of urgency in the Japanese leaders' approach. Japanese manufacturers and exporters have asked their government to establish an overseas investment insurance system to speed up exports. Finance Minister Hisato Ichimada recently told the Diet that a proposed South-East Asia finance corporation could supply funds to boost purchasing power there, while taking into consideration the spirit of nationalism now prevalent in the area.

Japan today is better fitted than at any other time since before the war to extend a helping hand to other Asiatic nations. Japanese engineering techniques, as evidenced in construction and power projects recently completed in Japan, are up to international levels. Japanese producers of industrial machinery have the facilities to supply the types of heavy equipment South-East Asia wants. The next step is a definite government policy on economic aid, and assurance of governmental financial backing.

Already, however, some projects have been undertaken as part of Japanese war reparation, or as private investments. Here are the major ones:

Burma: The Balu Chang power project on the upper Salween river has been launched as part of Japan's reparations. Three powerhouses with a combined capacity of 240,000 kw are to be erected, at a cost of $36 millions, of which $25.2 millions are to be defrayed by reparations. Designer of the project is Yutaka Kubota, builder of the Suifeng dams and powerhouses on the Yalu river in Korea. A Japanese firm, Kajima Construction, is to build the powerhouses. Balu Chang is the first such project undertaken abroad by Japan since the war.

India: A system of rice cultivation, introduced by Japanese agricultural experts in 1953, is now being used exclusively on 800,000 acres of Indian paddy fields, and is to be extended to three million more acres. The Japanese are recognized as Asia's top authorities on rice, because of the intensity of Japan's domestic rice production.

Japanese manufacturers, against stiff international competition, have won sizeable contracts for locomotives and rolling stock from India's Ministry of Railways.

An Indo-Japanese glass plant is being established in Bihar state, with Japan's giant Asahi Glass Co. providing materials and technology. The company hopes to be able to supply the greater part of India's sheet glass requirements.

Hitachi, one of Japan's great industrial engineering organizations, is constructing five turbo-generators for Bhakkur dam, at a cost of $2.2 million.

Thailand: Now in its third year, a Thai-Japanese tin mining company can turn out 48 tons of smelted tin a month, part of which is for export to Japan. The company is owned 51% by a Thai syndicate and 49% by the Mitsubishi interests of Japan.

South Viet-Nam: A Japanese firm, Nippon Koei, is to survey and design a power development at Da Nhim, where a hydro-electric plant with annual capacity of 3.5 million kwh is planned. Contract fee for the eight-month survey and drafting job is 445,000.

Philippines: A $2,250,000 paper mill is nearing completion just outside Manila, with 90% of its plant equipment furnished by Japanese manufacturers. Plant capacity is to be 25 tons a day.

Taiwan (Formosa): Japanese investment and technical co-operation have helped to build up the Chinese Nationalist island's spinning industry, to expand its fishing from coastal areas to the high seas, and to enlarge its bicycle production. Plans are afoot for Japanese steel experts to direct installation of converters and blast furnaces at the Tang Ying steel mills, which would have a production capacity of 150,000 tons of steel annually.

Cement Exports Up 20% In '55

Cement exports from Japan during 1955 climbed nearly 20% to 1,081,000 tons, from 904,000 tons in 1954. Shipments during August amounted to 165,700 tons, highest monthly total on record.

The upturn in sales was attributed to three major stimulants—a boost in marine freight rates which worked in favor of Japanese exports to South East Asia but against Western European shipments to the same area; heavier purchases by International Co-operation Administration Sources; and the cement manufacturers' export promotion policy, supported by the government of Japan.

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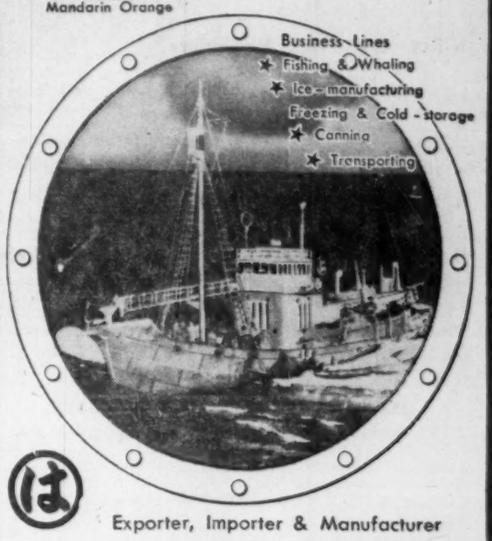

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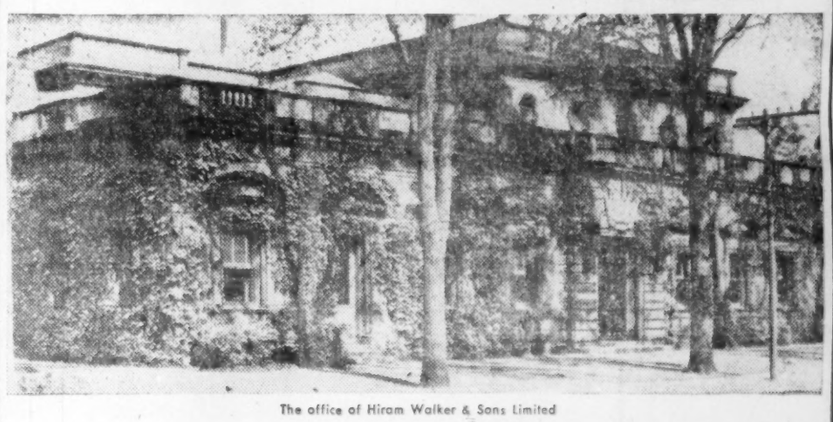

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Tips for Tourists To Japan

Looking for a vacation land unspoiled by the tourist trade? A country where the visitor is considered a welcome guest, rather than an easy mark?

Then plan to visit Japan.

You won't find it as exotic as Commodore Perry did in 1853. But if your travel tastes are jaded by the familiarity of North American sights, by the self-conscious quaintness of Caribbean islands, by the high prices of European touring, Japan could well be the holiday land you're searching for.

In a word, Japan is different. Its roots are entirely separate from the western world's. Its everyday customs stand in sharp contrast to our own.

To the visitor, Japan offers pleasures aplenty. Not the least of these is the discovery of a warm hospitality, free of the accoutrements of the tourist trade in many lands.

The Japanese knack of putting the traveler at ease seems to stem partly from a code of honor in which courtesy and hospitality traditionally occupy a high place; partly from the fact that within their own country the Japanese are probably the world's busiest tourists and have thus learned to make things easier for each other; and partly from the fact that western visitors are still something of a novelty.

1955 Record Year

How long they will remain a novelty is problematical. Last year, about 100,000 foreign travelers visited Japan, including some 60,000 from the U. S. and Canada. This was a 15% increase over the previous year, and made 1955 the best year on record for Japan's tourist industry.

But 60,000 dollar-spending travelers a year are almost negligible in a country of 90 million people — a country striving to overcome the vast imbalance in its trade with the dollar area.

That's why the Japan Tourist Association, formed two years ago, is expanding its efforts to familiarize North Americans with Japan's attractions—which go considerably beyond cherry blossoms, geisha girls and Mount Fuji. JTA plans to open a travel promotion office in Toronto or Montreal later this year, to augment the work of its New York and San Francisco bureaus.

"It used to be that tourists came here in the spring and autumn only," Frank Agui of JTA's Tokyo office told The Financial Post recently. "This year they even came in the winter. We had a big rush in February, and expect a big influx in the summer."

Travel to Japan is about equally divided between sea and air, said Agui. In either case, the visitor is likely to arrive near Tokyo.

From there, an excellent network of railways fans out to cities and towns throughout the densely populated island chain. Domestic flights of Japan Airlines conect the four major cities of Sapporo, Tokyo, Osaka and Fukuoka. There is also a network of motor roads, in somewhat less than perfect condition.

Throughout the country, the visitor has a choice of western or Japanese accommodation and food. Prices are generally lower than in Canada. Basic train fares are lower, too, although Pullman accommodation is not. With the best sleeper accommodation for the 350-mile trip between Tokyo and Osaka, total fare would be about $21.

Language is seldom a problem since English is taught universally in Japan's schools. Signs and menus are customarily in both English and Japanese.

Here are the places to see on a visit to Japan. The list is by no means exhaustive, but would crowd even the most indefatigable tourist's two-week itinerary:

Tokyo. Starting point for any tour of Japan, the capital is one of the great cosmopolitan cities of the world. The imperial Palace, the government, the nation's richest museums, its finest theatres—all are here in a vast, teeming metropolis of eight million people.

By day, the Ginza is a broad avenue forming the heart of central Tokyo's shopping district. After dark, it is the gateway to a neon network of narrow thoroughfares alive with cafes, cabarets and bars.

What to see: The Imperial Palace (a simple place in the Japanese tradition, the antithesis of Versaille's splendor); Ueno Park, site of the national museum, metropolitan fine art gallery, science museum, five-story pagoda, zoo, and 3,000 cherry trees; Asakusa, a colorful amusement district also noted for its Kannon temple; and the Marunouchi, Tokyo's business centre.

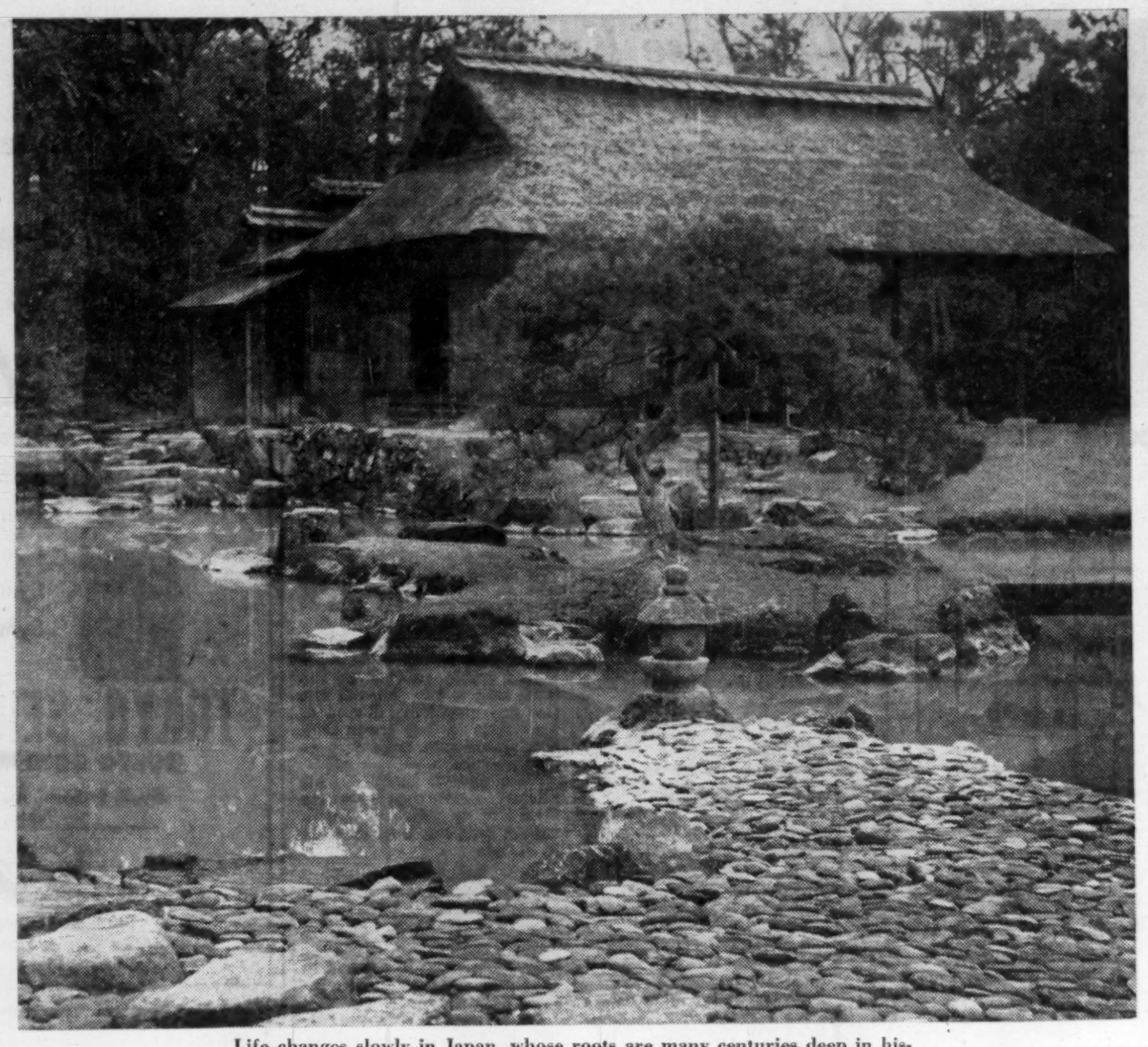
Nikko: A national park 90 miles north of Tokyo, with Toshugo shrine at its centre. The shrine is a cluster of individual buildings and gates richly carved in ornate Chinese fashion. Yomeimon gate is world-famed for its ornate sculpture. High in a mountain chain nearby is Lake Chuzenji, popular resort.

Hakone: Part of a national park 60 miles west of Toyko. Lake Hakone is famous for its reflection of 12,467 ft. Mount Fuji, Japan's highest.

Nara: Ancient (645-794) capital and cradle of Japan's arts and industry. Tame deer roam through Nara Park, a 1,250-acre natural woodland. Nearby is Kofukuji temple, a graceful, five-story pagoda built in the thirteenth century.

Kyoto: Japan's capital for nearly 11 centuries (794-1868), and crowded with reminders of past imperial splendors. Among these are Higashi and Nishi Honganji Buddhist temples; Ginkakuji, an ancient villa and landscaped garden; Kiyomizu temple, high on a cliff; and the Old Imperial Palace. Kyoto's population is 1.1 million.

Osaka: A city of 2.4 million people, a short distance from Kyoto. Osaka is famed for its commerce and industry, which suffered heavily during the war, rather than for historical associations. Shinsaibashi, a long narrow street for pedestrians only, is probably Japan's busiest and most colorful shopping centre.



Life changes slowly in Japan, whose roots are many centuries deep in history. Homes are compact, cool, clean. Gardens and grounds are in studied disarray, the rocks arranged stone by stone.

These Points HelpPlanning Japan Visit

How to get there: By air, Canadian Pacific Airlines from Vancouver and Northwest Orient Airlines from Seattle, both via the short Alaska route; Japan Air Lines and Pan American World Airways from California via Honolulu. Return fares from the west coast are $1,170 first class and $878.40 tourist; from eastern cities, $1,462.50 first class and $1,076.40 tourist.

By sea, American President Lines' ships sail from New York and U. S. west coast points, while Nippon Yusen Kaisha Line's passenger ship leaves from Seattle and Vancouver. Return fares from the west coast range upward from $560 third class and $850 first class. Voyage takes approximately two weeks.

Entry requirements: For tourists, a visa from Japanese embassy at Ottawa, or consulates at Toronto or Vancouver. For readmission to Canada, evidence of small-pox vaccination within the past three years.

Currency: The yen has been pegged for the last few years at 360 to the dollar. At the port of entry, you will be given a Foreign Exchange Record Book which will exempt you from the 30% excise tax on many shopping items, including cameras, binoculars and pearls. There is virtually no black market in dollars.

Climate: Tokyo's is much the same as Washington's. Spring and autumn are best. Summers are hot in town, pleasant in Japan's numerous mountain resorts. Rainy season begins early in June, lasts three weeks.

Travel: Trains are numerous, reliable, punctual, speedy—and dirty. The Japanese, meticulously clean in their homes, are often surprisingly careless on trains. Steamers connect many nearby islands: most popular route is from Osaka to Beppu, a 19-hour voyage through the scenic Inland Sea. In the cities, cruising taxis are plentiful (except in the rain) and extremely cheap.

Hotels: Comfortable accommodation in the finest western-style hotels costs about $7 a day, plus a 10% service charge. No further tipping is expected. Meals in such hotels are in the $1.50-$2.50 range, and about $5 in exclusive restaurants.

For the photographer: Film is available everywhere, in qualities and at prices almost exactly equivalent to those in Canada. With their no-tax privilege, tourists may buy high-quality Japanese cameras and accessories at substantial savings.

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Tomitaro Hosoi, JITF executive director, is currently touring Europe to inspect trade fairs at a number of cities there. Fifth annual JITF will be held in Tokyo May 5-19, 1957.

As in 1955, two fair grounds will be used — Tokyo Trade Centre building in the heart of the city, for textiles, optical instruments, and general merchandise, and Harumi Fair Grounds, for machinery and machine tools. Of a total 1,650 booths, 400 will be outdoors.

The 1954 and 1956 versions of the JITF took place in Osaka, Japan's second largest city and hub of its textile industry.

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For Something Different Stay at Japanese Inn

Sleeping on the floor can be quite comfortable—and it doesn't take long to get used to it, in a Japanese inn.

A traveler doesn't have to sleep on the floor in Japan. Every important city has many western-style hotels. The Imperial in Tokyo, for instance, is among the world's finest. Some are much like commercial hotels anywhere in Canada.

But for a real travel adventure, and an introduction to Japan's famed hospitality, spend at least one night at an inn when you visit Japan.

The bed consists of layers. A tatami, or matting backed by several inches of padding, is stretched out on the floor. Over it go a number of futon, or quilts; the exact number depends upon the season. You, the guest, go between the top and the second futon.

It's surprisingly comfortable—except for the small and unyielding sandbag that serves as a pillow. Bring along an inflatable plastic cushion as a substitute.

Japan has some 50,000 inns, with especially heavy concentrations at seaside resorts, mountain retreats, and national shrines. Inns are smaller than the typical hotel.

The resemblance between an inn and a private home begins at the door. Not only does the foyer resemble that of a home, but you'll be greeted by the manager and his staff just as warmly as if you were their favorite uncle.

Courtesy demands that nothing be said about money—on the theory that the innkeeper offers his best hospitality, regardless of payment. Guests never know the cost of the accommodation until they are leaving the inn. Charges are likely to be between $5 and $6, including dinner, breakfast and service.

One maid is assigned to serve you throughout your stay. She carries your baggage, serves your meals, hangs up your clothes, draws your bath, finds a taxi when you leave. She makes up for her lack of English by an abundance of bowing and smiling.

Unlike native accommodation in certain countries, your suite in a Japanese inn will be clean almost to the point of sterility. The suite usually consists of a small entrance hall off the corridor, a large all-purpose room which serves as bedroom, sitting room and dining room (there are no public dining rooms in inns), and finally a small porch which may overlook a garden, if land values aren't too high in the area of the inn.

Only furniture in the main room is a low table in the corner, drawn out to the centre at mealtime. There the guest sits cross-legged while the maid serves such unfamiliar but interesting dishes as raw fish, bamboo sprouts, octopus and chrysanthemum blossoms.

The inn provides a freshly starched cotton kimono and a somewhat heavier outer kimono. In resorts such as the hot-spring spa of Atami, it's possible to link strollers with their inn, by the color and design of the kimonos they wear.

Plumbing? It's down the hall on your left, and a bit different—but scrupulously clean.

Mixed bathing? It's up to you. If you decide to go native, no one will stare—but you'll probably find the boiling bath water much too hot for tender Occidental skins.

Everything at an inn may seem strange at first. But once you've broken the ice, you'll want to return—tatami, bamboo sprouts, boiling bath and all.

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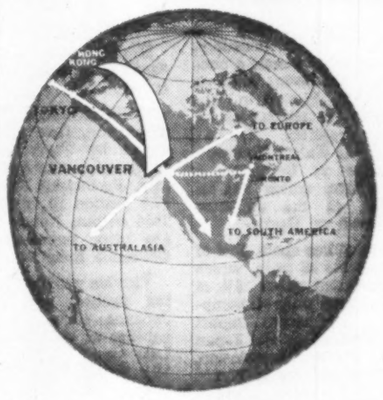

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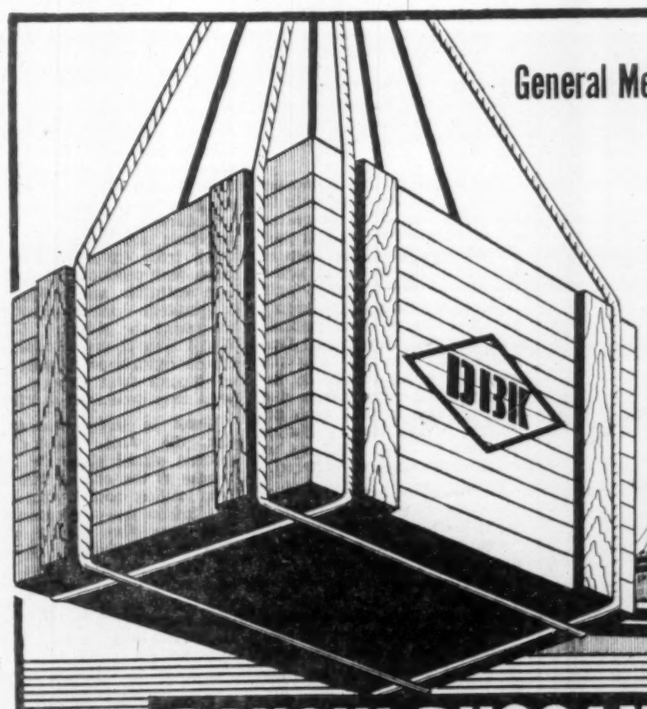

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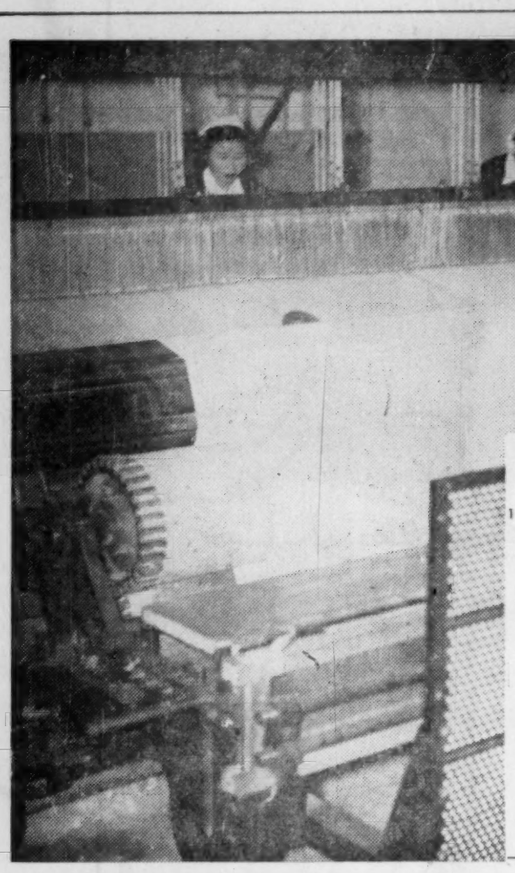

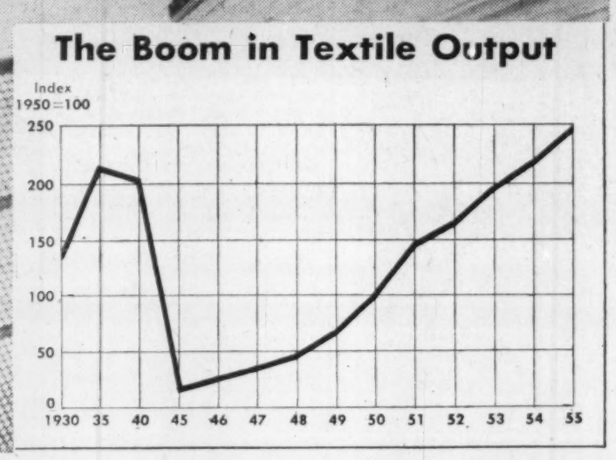

Textiles: Japan's Problem Child

Swing to Synthetic Fibres Adds To Canada's Pulp Sales—Output and Export of Cotton Slows Down

Everywhere else in Japan, they say, "Good morning." But in Osaka, the greeting is a down - to - earth "Making money?"

The phrase sums up the mood of Japan's second largest city, the hub of the country's giant textile industry.

A truthful answer in many cases today would have to be "No." Money-conscious Osaka is feeling the effects of:

(1) the loss of her prewar cotton markets throughout the Orient, and

(2) the restrictions placed by Japanese Government late last year on cotton textile exports to Canada and the U. S.

Nor were these the only problems besetting Osaka's textile manufacturers' last year:

—Domestic demand for cotton goods slackened significantly.

—In October, a protracted strike shutdown 10 leading spinning mills.

—Both production and exports of cotton yarn last year fell 11.3% below 1954's total.

—Exports of cotton fabrics, at 1,139 million sq. yds., were off 10.9%.

The one bright spot in the cotton picture was the recovery in exports of secondary cotton goods. Increased demand in nondollar countries more than offset the slowdown in sales to North America, and exports climbed month by month throughout 1955 to total of 59.2 million lb., up 60.8% from 1954's 36.8 million lb.

The cotton textile industry, at the government's urging, has agreed to limit 1956 exports to North America to 1955 levels—14 million sq. to Canada 150 million sq. to the U. S. (Last year's cotton exports to Canada were six times greater than in 1954, and to the U. S., five times greater.) Exports are controlled by a proportionate allocation scheme for trading firms, based on their past exports.

This means that Japan is voluntarily choking off the rapid growth of a major dollar-earning export, despite the fact that her own purchases from the dollar area far exceed her sales to it.

Pulp from Canada

Trade between Canada and the Japanese textile industry, however, is by no means a one-way traffic. Dissolving pulp, or wood cellulose, is sold to Japanese rayon manufacturers by Canadian suppliers. Chief among these is Walter Koerner's Alaska Pine & Cellulose, a Vancouver firm which has its own office in the Japanese textile capital of Osaka.

Canada supplies about half of Japan's imports of pulp, which in turn represent about 15% of the nation's total pulp consumption. Here are recent import figures, furnished by the Japan Chemical Fibres Association, with figures on rayon staple (viscose and acetate) production for comparison:

	Total Japanese Imports	Imports from Canada	Rayon Staple Produc'n.
1953 ...	85,000	44,378	356,533
1954 ...	73,500	35,986	448,064
1955 ...	64,500	30,437	536,747

The drop in imports of raw materials, contrasted with the significant rise in production, illustrates the tug-of-war that has been going on between Japanese synthetic fibre producers and the Japanese pulp producers.

The synthetic fibre producers prefer to use imported pulp in their manufacturing processes. It's now about 10% cheaper than Japanese pulp, and has been as much as 15% lower in price. Quality of the imported pulp is definitely superior, a leading Japanese rayon manufacturer told The Post. Finally, the Japanese pulp industry lacks the capacity to fill the rayon industry's pulp requirements and — according to the rayon industry — has been guilty of overcutting Japan's forests to obtain sufficient raw material.

On the other hand, Canadian dissolving pulp has to be paid for in dollars — as Japan's pulp producers are quick to remind the Ministry of Finance. Although the rayon manufacturers can point to their excellent record as dollar-earners in the export market, Japan's foreign exchange controllers apparently prefer to accept the pulp producers' argument that imports should be restricted and the home industry fostered.

Will Boost Output

A slowdown between the two industries seems certain this year. Rayon staple production is to be increased to at least 650 million lb. from last year's 536.7 million lb., according to President Shigeki Tashiro of the Japan Chemical Fibres Association. The pulp industry says it will boost its output in about the same ratio, from 270,000 tons to 320,000 tons. Impossible, says rayon-man Tashiro — such an increase is beyond the pulp industry's present capacity, and beyond any expanded capacity that could be achieved this year.

If Japan's pulp industry is unable to keep abreast of her quickly expanding rayon industry, one result could be an upsurge in the Japanese business of Canadian pulp manufacturers.

But the Japanese Government, for its part, has informally warned the rayon industry that it might be rushing into a state of overproduction. This warning hasn't deterred the rayon producers, who insist that they must boost production to reduce costs, and thus keep their prices competitive with cotton.

The rise in production of rayon and chemical fibres generally was sufficient to boost Japan's total textile output last year to 15% over 1954, despite the curtailment of cotton textile production during the last seven months of 1955.

Here's how other branches of Japan's biggest industry are faring:

Synthetic fibres: Nylon manufacturing, first undertaken in Japan by Toyo Rayon seven years ago, is now advancing rapidly. Production last year was 17.8 million lb., up 76.4% over 1954 output. Nylon fishing nets are being exported to British Columbia fisheries.

Vinylon production is also being pushed, and this purely Japanese fibre is being used in suitings as well as fishing nets. Last year's output was nearly 13.6 million lb., 67.7% higher than in 1954.

Rayon filament yarn: In 1955, production rose 5.7% to 195,352,000 lb., of which 45% was exported. This year's output is expected to be about the same as last year's. Manufacturers have improved their high-tenacity rayon, and hope to develop a new market for it in foreign subsidiary plants of U. S. tire-makers.

Silk: The industry is still fighting for survival, and managed to increase its exports last year by 13%—a total of 86,600 bales of raw silk and 29 million sq. yds. of silk textiles were sold abroad. But the effects of war-time destruction of mulberry trees (to make way for more food production), occupation restraints, and competition of synthetic textiles, effectively weakened the industry. Before World War II, raw silk and silk textile exports constituted 25% of Japan's total exports. Last year, they amounted to 3.5%.

Wool: In sharp contrast to silk, the wool industry has spurted ahead since its near-demise at the end of the war. Two million carded wool spindles are in use—an increase of 20% over the prewar peak. Weaving facilities are 70% higher. But demand has not kept abreast of productive capacity, and the industry's major problem currently is to find new markets to take up the slack.

Japanese To Make Synthetic Rubber

A new industry, synthetic rubber production, will be born in Japan by 1958.

Mitsubishi Petroleum Co. and associated firms have announced plans to start construction this year on a $30 million plant with production capacity of 15,000 tons.

Another group of companies, formerly affiliated with the Furakawa interests, is also planning to enter the same field, with a technical co-operation agreement with Goodrich Chemical Co.

Japan last year imported 4,000 tons of synthetic rubber. Exports of Japanese tires were valued at $9 million.

Japanese Know How To Live on $55 Month

To the western visitor, one of the greatest mysteries of the mysterious East is this: How does Japan, so poor in natural resources and so limited in area, provide a satisfactory standard of living for 90 million people?

Japan is not one of the backward, undeveloped lands whose peoples' horizons are limited. Rather, its population is nearly 99% literate, predominantly urban, energetic and ambitious.

Two other adjectives—thrifty and self-disciplined — also describe the Japanese character, and help to explain how the Japanese live on an income that is probably the lowest of any northern nation.

Last year's monthly cash earnings for non-agricultural workers averaged $55.11. This was an increase of 10.6% over 1954's average of $49.81, and is linked to last year's rise of 9.5% in industrial production.

Cash earnings are only part of the picture, however. Fringe benefits tack at least another 25% on to the average worker's real income, it is estimated.

A worker in many a large plant or office receives free medical care. Some firms provide apartments for their employees at rents like 500 yen ($1.40) a month.

Eking out their income has, with many families, grown to the status of a science. In home periodicals, methods of thrift are the most popular subject for features. Men's magazines are generous with advice on investment strategy and get-rich-quick formulae.

Food costs

Some prices, but by no means all, are lower than in Canada. Fish, of high quality and in wide variety, is cheap. Meat, eggs and vegetables are a little cheaper than in Canada.

By careful planning, family food costs can be kept to about 25c per person per day. A day's menu might include rice and green tea with each meal, plus a thick bean soup and fish or seaweed in soy sauce at breakfast; boiled fish and boiled dressed vegetables at lunch; and clear soup or bean curd, fried fish, vegetables and pickles at dinner.

Housing is still much below prewar standards. Little has been done to make up for war-time destruction and deterioration. The shortage is estimated at three million houses (there are 17 million families in Japan).

Some 70% of houses are owned by their occupants, compared with 30% prewar. Another 23% are rented, and 7% occupied rent-free. Statistics show housing expenses as 5% of the normal household budget, but the true figure might be close to 30% if such expenses as key money or mortgage interest were included.

Fuel in any form is expensive, and a budget of $55.11 per month would provide for no more than a tiny charcoal fire. Gas and electricity, if used as generously as they are in Canada, would cost from $150 to $200 a month.

Japanese-style clothing costs a Japanese more than a western-style suit — which, in Japan, costs a little less than it would in Canada.

Subway Fares

Urban transportation is inexpensive. Streetcar fares are 3½c, subway fares 5½c in Tokyo and Osaka. If your nerves can stand it, a taxi will take you a considerable distance for a minimum of 20c.

A long-standing Japanese custom is for employers to pay their workers a bonus of one month's pay to mark New Year's, the country's biggest holiday, and a smaller bonus at midyear when families customarily reunite for ancestor-worship ceremonies.

Finally, the Japanese have one other major aid in getting by on low incomes: their mental outlook. Largely as a result of Buddhist influence, there is a widespread philosophy that money is to be scorned and that the future will take care of itself.

This philosophy is reflected in certain rules of public etiquette. It's considered impolite to count your change in Japan, or, at an inn, to inquire in advance about the rates.

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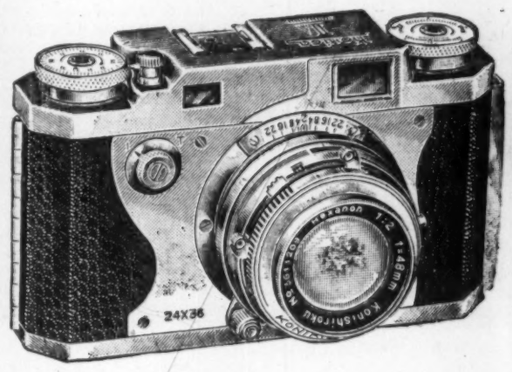

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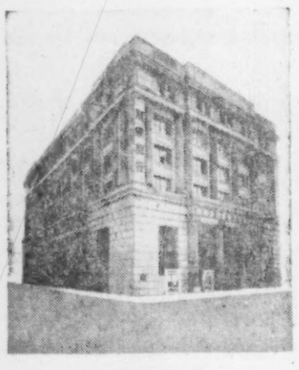

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Shipping And Yards Booming

The sea is always close to the Japanese. In the narrow chain of islands that are the homeland of 90 million people, even the most remote village is not far from the Japan Sea or the restless Pacific.

Like another island realm on the opposite side of the globe, Japan looks seaward for her survival.

From the seas comes an abundance of food to help support her crowded people.

Across the seas come the raw materials vital to a land that is singularly poor in natural resources.

Across the seas, too, ships carry away the products of a skilled and highly industrialized race.

Through the centuries, ships have formed the lifeline of this sea-girt nation. From generation to generation, shipbuilders have developed their skills in Hiroshima and Hakodate, in Osaka and Yokohama, in a dozen other seaports.

National policy, through a succession of governments, has unswervingly favored shipbuilding as a prerequisite to Japan's industrial growth.

Today, her shipyards are thriving as never before. In one recent month — October, 1955 — the value of orders placed by foreign customers was greater than the value for the whole of the preceding year.

Contracts now on the books of Japanese shipbuilding companies are heavy enough in themselves to absorb the industry's entire capacity for the next two years. Expansion of facilities is under way to help meet the growing demand for more tonnage.

Among World Leaders

Already, Japan has climbed to second place in free world shipbuilding. In the final quarter of 1955, she launched merchant vessels with a gross tonnage of 354,300. Thus she ranked next to the U.K. (463,000) and ahead of Germany (282,000). World total, excluding production in Russia and Poland, was 1,663,000 gross tons in the October-December period.

When World War II ended, Japan found that her prewar merchant fleet of 6,400,000 tons had been reduced to about 750,000 seaworthy tons. Shipyards were relatively undamaged, but capital was scarce and contracts almost impossible to find.

The Korean War brought a short-lived boom to the nation's shipbuilding industry, but a world-wide business recession and Japan's own deflationary program soon idled many dockyards again.

In late 1954 the tide turned. Marine freight rates began to rise. Japan's internal prosperity boosted domestic demand for ships. A new shipbuilding boom began, and it's still gathering momentum a year and a half later.

Progress in 1955

It's been impossible for dockyards to keep abreast of the new orders coming in. Here, by three-month periods, are the statistics on contracts entered into by Japanese shipbuilders during 1955, for the construction of shipping for export alone:

Qtr.	No. ships	Gross tonnage	Contracted prices ($ millions)
I	16	175,500	50.8
II	26	323,150	74.7
III	29	495,205	108.3
IV	58	842,650	207.8

As an export industry, shipbuilding now brings Japan about 70% of her dollar earnings. Actual volume of business ranks third after textiles and steel products, but shipbuilding produces the greatest net return in dollars because of the value it adds to imported raw materials.

Its very prosperity is one of the current causes for concern in the shipbuilding industry. When world demand for new tonnage suddenly quickened in late 1954, Japan was ready to meet it. Only a fraction of her dockyard facilities were occupied, and so she could promise quick delivery.

Now all berths are in use, and there's a long backlog of orders. It's becoming increasingly difficult for Japanese shipbuilders to improve to a great extent on the three-year delay encountered in West German, British and Dutch shipyards. Japan can still deliver sooner than her competitors, but her advantage here is diminishing.

Fading, too, is Japan's ability to build ships at lower cost than her Occidental competitors. Like every other Japanese steel-using industry, shipbuilding now must pay about 20% more for steel than in 1955. The Government has stepped in, ordering steel mills to concentrate more of their efforts on meeting the requirements of the dockyards, and less on other finished steel products.

But for the present, at least, there is intense activity in the sprawling shipyards in such cities as Kobe, Nagasaki and Hiroshima. Two supertankers of 83,900 tons each — about the same tonnage as the Queen Elizabeth—will be started this year by a U.S.-owned company, National Bulk Carriers, at Kure, in what was formerly the Imperial Navy dockyard.

Mitsubishi Shipbuilding & Engineering Co. at Nagasaki early this year launched the Wafra, a 45,000 gross ton tanker, to join a sister ship, the Veedol, which was sent down the ways last summer. Their owner, Tidewater Associated Oil Co., has ordered two similar supertankers from Mitsubishi, for delivery in 1958. Ships have a speed of 16.5 knots at full load condition, and liquid cargo capacity of 390,000 bbls.

Orders for Freighters

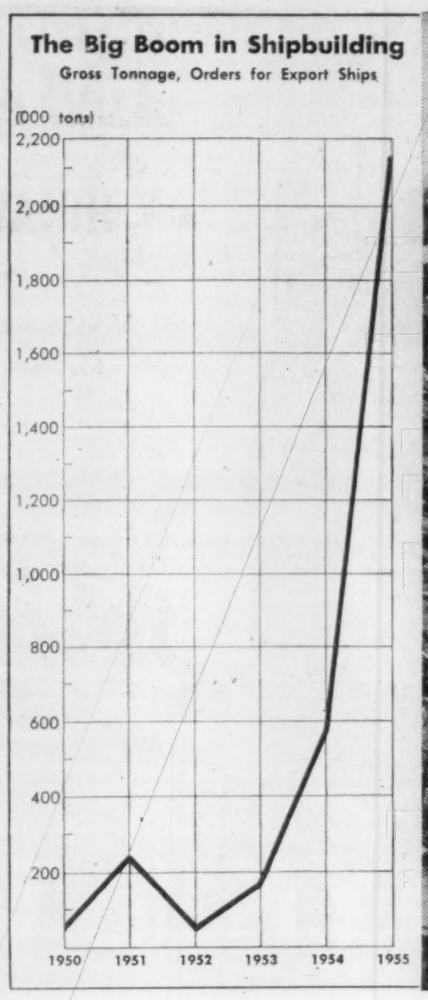
Keeping pace with the demand for tankers is the flow of export orders for freighters. Japan's domestic market for ships is thriving—47 shipping companies applied to the Ministry of Transportation for permits to build 575,000 gross tons of new shipping (with financial aid from the Government) during the year beginning April 1, 1956. The Government has set 239,000 tons as the domestic quota for the year.

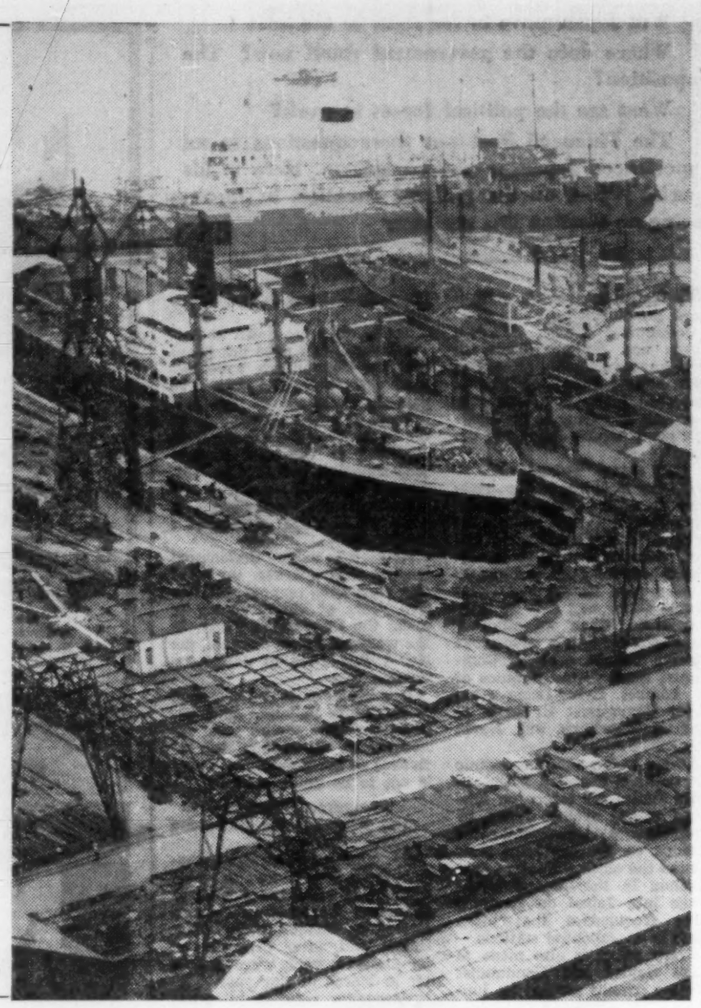
In the five-year period 1956-61 it is the Government's plan to have 1,080,000 gross tons of new merchant ships built for the Japanese market. This would bring Japan's commercial fleet to 4.5 million gross tons by March, 1961—79% of the 1940 total of 5,680,000 gross tons.

This, it is hoped, would bring the cargo loading ratio of foreign trade commodities by Japanese bottoms to 59% in exports and 45% in imports, compared with 72% and 65% in 1940.

Outside the export market and the five-year domestic plan, other shipbuilding will continue. Some shipowners are planning to build new vessels themselves. The Defense Agency is expected to place substantial orders for naval ships.

Altogether, domestic orders are expected to range between 300,000 and 350,000 gross tons over each of the next few years, absorbing 25% to 30% of Japanese shipyards' annual rated capacity of 1.2 million gross tons.





Englishman, Dutch Ship Aided Japan

An Englishman, William Adams, was the father of western-style shipbuilding in Japan. When a Dutch ship of which he was a crew-member was driven ashore in Japan by a typhoon in 1600, Adams decided to adopt Japanese nationality. He became a shipbuilder, and soon constructed two wooden vessels of 80 and 120 tons, along European lines.

In 1620, a Japanese ship returned from the first round-the-world journey, sailing eastward. This feat—the trip took seven years, but those were leisurely times—led to a boom in shipbuilding.

Commodore Perry's arrival in 1853 profoundly affected shipbuilding, as it did so many other aspects of Japanese life. New shipyards were opened at Uraga and Nagasaki in 1854, and at Tokyo in 1855. Steel ships began to take precedence over wooden ships, and by the early years of this century Japan was turning out 10,000-ton steamers.

Japan's government fostered her shipbuilding in peace and war. At Nagasaki, during World War II, was built the 73,000-ton battleship Musashi, largest warship in world history. The Yamata, a sister ship, was constructed at Kure. Both were sunk in battle.

The roster of Japanese shipbuilders includes such famous industrial names as Mitsui, Mitsubishi and Hitachi. It is characteristic of Japan that shipbuilding should be an integrated industry. A company may build not only ships but also marine and stationary engines, auxiliary machinery, boilers, steel pipe, pig iron, rolling stock, fertilizers and chemicals.

Research, New Techniques Keep Shipyard Costs Low

In a "feast or famine" industry, technical progress may lag in the famine years, then be found wanting in the years of plenty.

That's one danger that Japanese shipbuilding has successfully skirted, despite the depression that beset the industry from 1945 to 1954. With her long history as a maritime nation, Japan has been able to keep abreast of shipbuilding technology even though much of her capacity stood idle throughout the early postwar years.

Since 1950, the industry has been carrying out a cost-reduction program. Shipbuilding costs in Japan, as a result, are said to have been reduced by up to 23% during the past six years.

Some $65 millions has been spent since 1950 by the shipbuilders on research and the modernization of production facilities, especially of welding equipment.

Electric welding is more and more replacing the rivet system in ship construction. The newer process reduces the weight of steel materials in the hull by about 15% on large cargo ships.

Adoption of the welding process has changed the very pattern of Japanese shipbuilding itself. Formerly, the keel was laid upon the building slip, then the hull and upper structures were built upward.

Now, the hull is divided into several blocks, which when finished are brought together and assembled into a complete hull. One effect has been to cut down sharply the time that a ship occupies a building slip.

In the field of marine engines, gas turbines are being used on an ever-increasing scale to power the ships built in Japanese yards. Their advantages: light weight, simple construction, quick starting, and the capacity to function on low grade fuel. Mitsui Shipbuilding & Engineering Co. has built a 2,000 hp condenser unit for marine use, and other shipyards have completed 500 hp marine gas turbines.

In steam turbines, research is being concentrated on the thermodynamic properties of high temperature, high pressure steam. Kawasaki Dockyard Co. at Kobe has completed a turbine with maximum output of 20,250 hp at only 109 rpm.

Diesel Engines

Marked progress in diesel engine design and manufacture has been made by Mitsubishi Shipbuilding, Nagasaki. Last year the company produced its own UEC engine, a single-acting, two-cycle uniflow exhaust turbocharged engine with crosshead.

Other manufacturers are turning out marine diesel engines with an output of up to 12,000 brake hp. It is reported that 15,000 bhp units are to be introduced soon.

Besides shipbuilding, Japan supports a major ship repairing industry. Here are some of its more unusual accomplishments of the past few years:

—A Japanese salvage boat refloated a ship which had been sunk in 1944 at Truk atoll from a depth of 125 feet, towed it 2,000 miles to Japan, where it was converted into a parent whaling vessel in six months. It now operates as a floating factory in Antarctic waters during the whaling season, and as a crude petroleum tanker plying between Bahrain and the U.S. the rest of the year.

— Hitachi Shipbuilding inserted a 20-ft. long tank in the middle of a 20,560 ton tanker, as one would add a leaf to a dining-room table. The ship's capacity was increased by 970 tons, her weight by 450 tons.

—When a Swedish tanker broke in half during a storm, Mitsubishi Shipbuilding salvaged her stern, built a new bow, united the old and new halves, and relaunched the ship.

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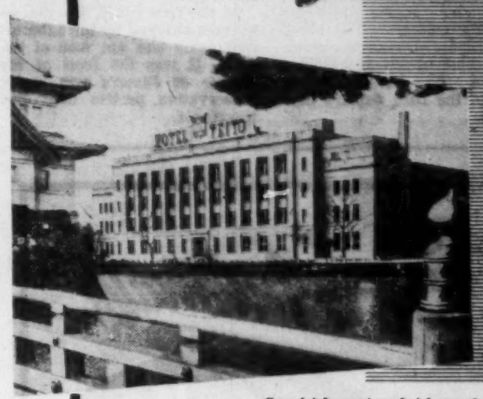

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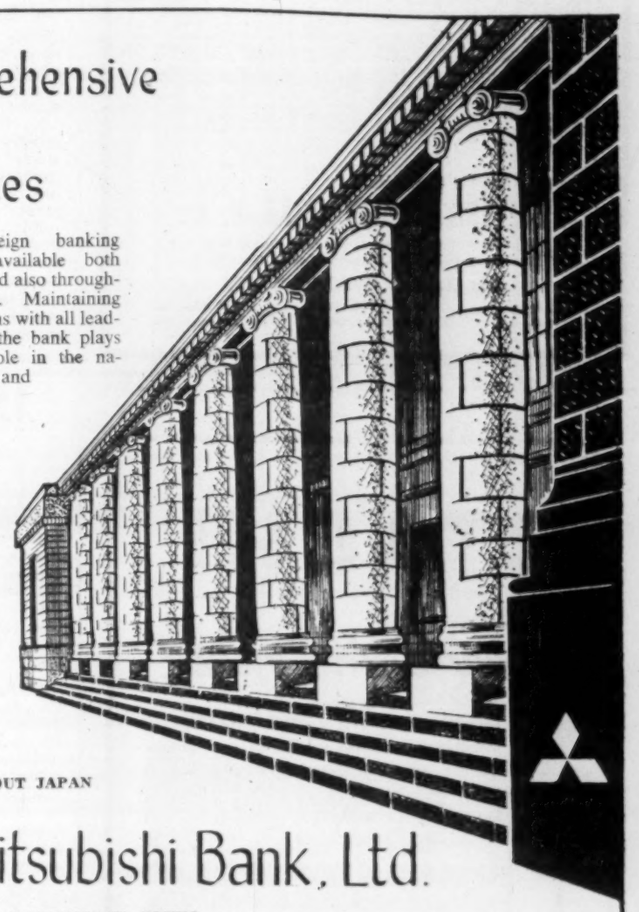

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Which Way for Japan Is Now Big Question for Democracy

Will Japan move to the right or the left?

Where does the government stand now? The opposition?

What are the political forces at work?

The Financial Post put these questions to an experienced Japanese newspaperman. Here is his special report on the political situation in Japan, facing an election this summer.

By PETER SHINOBU HIGASHI

Japan today enjoys politically the greatest stability, ever achieved in its short postwar democratic history.

At the helm of the State is the pro-Western and conservative Liberal-Democratic party, headed by Prime Minister Ichiro Hatoyama.

The Liberal-Democrats claim a solid bloc of 299 representatives in the 466-seat lower House of the Diet, Japan's parliament.

In the House of Councillors, Japan's senate, they have 120 seats out of a total of 250, plus the support of 45 equally conservative Green Leaf councillors.

However, it is an uneasy stability.

In the first place, the majority now enjoyed by the Liberal-Democrats was not won at the polls. It was the fruit of the merger of Japan's two major conservative parties only last November.

It was only after almost endless haggling and bargaining, that the Liberals, known to the western world as the party of ex-Prime Minister Shigeru Yoshida, and Hatoyama's Democrats decided to join forces.

In the second place, although the two factions in the Liberal-Democratic party are agreed in principle on major policy points, particularly on the principle of all-out opposition to Communism and strict adherence to the free world camp, there are hidden personality clashes and rivalries.

Added to this is the problem of 73-year-old Prime Minister Hatoyama's advanced age and ill-health, the legacy of a paralytic stroke several years ago.

The recent and untimely death of Taketora Ogata, head of the Liberal party group, eliminated the only logical successor to ailing Hatoyama, and has thrown the arena open to the intensive manoeuvrings of minor personalities intent on being the next prime minister.

Intra-party rivalries and the fight for leadership could easily split the Liberal-Democratic party wide open at any moment.

Such is the internal situation of the party in power.

In the Opposition

Arraigned against the Liberal-Democrats are the Socialists. To counter the conservative merger, they buried the differences that had split their ranks into right and left-wing splinter groups, and reunited into one party also last November.

Today, the Socialists hold 154 seats in the Lower House, with the remainder of the seats divided between six minor party members, three independents, two Communists and three vacancies.

In the Upper House, the Socialists have 68 seats, with the remainder in the hands of seven minor party representatives, four independents, one Communist and five vacancies.

In short, the Socialists, with policies ranging from lukewarm "neutralism" and anti-Americanism to pro-Communism, are the major opposition party.

And their influence is far from waning. In the general election of spring, 1955, the Socialists made the greatest gains.

To abet their cause, the Communist continent has intensified its campaign to woo Japan from the West, using every enticement possible.

Communist China, North Korea and Soviet Russia, in turn, have repeatedly offered to trade-hungry Japan the bait of increased trade in cheap raw materials in exchange for strategic goods which Japan has refused to sell.

Communist "Friendship"

Equally tempting to Japan has been the offer of friendship and the restoration of diplomatic relations. The psychological appeal of such an offer to an unarmed Japan, still technically at war with Russia and Communist China, can only be fully understood when we study a map. Note Japan's precarious position, on the orbit of Communist Asia, within minutes of jet bomber flying time from major Communist air bases in Siberia, Manchuria and North China.

Added to this subtle economic and political pressure, is the intense "cultural" campaign now being waged against Japan by Communist Asia. Powerful radio stations on the continent pour around the clock a flood of propaganda in the Japanese language into Japan on standard wave frequencies that often overwhelm Japanese stations.

Every effort is also made to make Soviet and Communist Chinese friends among the Japanese.

The major weapon used is the exchange of so-called "cultural missions." Newspapermen, "peace lovers," "progressive" students, anti-A-bomb organizations, pink intellectuals, writers, athletes and labor unions have been invited to visit the Communist continent.

To the people of a dollar-short Japan, denied free travel abroad, the temptation of a free trip to Communist China and Russia, all expenses paid, is devastatingly strong.

And what of the Japan Communist Party?

At the height of its influence in 1949, while the afterglow of the wartime honeymoon of the Allies with Soviet Russia still colored MacArthur's occupation policies, the Communists held 35 seats in the Lower House.

Today, they are down to two.

However, this does not mean that the Communists have lost their influence. The drop was partially a result of the belligerent tactics they adopted at the outbreak of the Korean War, climaxed in the now historic May Day riots in Tokyo in 1951, when American-owned cars were overturned and burned in front of General MacArthur's headquarters.

Now the same Communist leaders that sparked the May Day riots have reappeared after five years of hiding to try to make the Communist Party, in the words of Sanzo Nozzaki, the No. 1 Red Boss in Japan, "a lovable party."

It is in line with the new look in Kremlin's policies. And, because the new tactics seem innocuous on the surface, the influence of the Communist Party is not to be underestimated.

Government's Record

And what has the Hatoyama government done?

To counter the combined pressure from left, Hatoyama early decided to steal the Socialists' thunder. Negotiations were started in London with Soviet Russia and, after dragging on for almost a year, were broken off in March of this year.

Hatoyama refused to relinquish Japan's territorial claims to the South Kuriles and South Sakhalin for the dubious price of normal diplomatic relations with Russia.

Then the Russians took a new tack. They banned Japanese salman fishermen from the entire Sea of Okhotsk and from the big seas off Kamchatka Peninsula.

This was a below-the-belt blow, for it forced Hatoyama again into sending his Agricultural and Forestry Minister, Ichiro Kono, to negotiate with the Russians. In Moscow, Kono and the Russians worked out a new fishing treaty.

Other than these attempts to meet the Russians at least halfway, the foreign policy of the Liberal-Democratic party has remained unchanged since the days of Prime Minister Yoshida. There is very little likelihood that it will change, as long as the United States continues to be Japan's No. 1 customer.

The Constitution and Defense

But, Hatoyama and his government still face their biggest domestic task — to revise MacArthur's postwar Constitution for Japan with its "No-arms" clause.

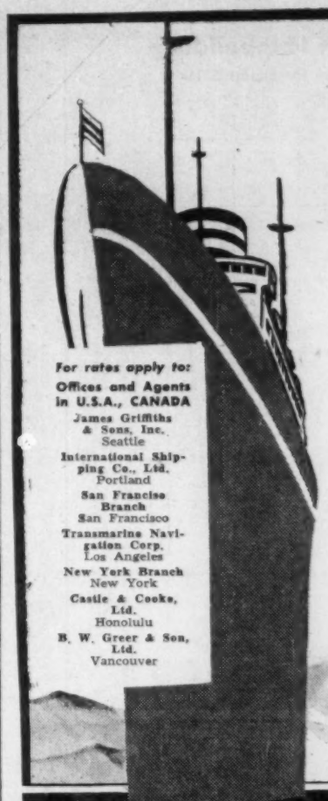
The Liberal-Democrats feel that unless this ban is lifted and Japan allowed to rearm, Japan cannot hope to take her place in the ranks of free nations and to bear her share of the defense of the free world.

But, for this, Prime Minister Hatoyama needs a clear two-thirds majority in the Diet of at least 312 seats. To get this majority, the Government has now in the Diet a bill to change the electoral system to one of small districts, which would offset the Socialists' chief advantage of organized labor's support.

Even with this two-thirds majority, Hatoyama will still have to take his revision to the people in a popular referendum.

Whatever the case, sometime this month one half of the House of Councillors will stand for re-election. True, the Upper House is more of a consultative organ, yet it will be the first time the Liberal-Democrats have faced an election since their merger.

The elections will be an acid test for the Hatoyama regime and will provide indication of what lies in store for the Liberal-Democratic party and for Japan.



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Many Japanese Seek Trade with China

Besides her self-imposed export restrictions, Japan is subject to a set of trade limitations originating in Paris. They are the United Nations Co-ordination Committee on Export Control (COCOM) regulations on trade with Communist countries.

Purpose of these rules is to cut the supply of strategic materials to the Communist bloc. The Japanese Government is reported to be lukewarm in its support of the COCOM regulations and to be increasingly sympathetic to traders seeking to make private deals with Red China in relatively unstrategic goods.

Opponents of COCOM — who can be found among Japanese of non-Communist political leanings — are becoming more vocal. According to their view, the restrictions are ineffective because Red China can buy all the stragetic materials it needs from Russia and other Communist countries.

If it were not for COCOM, the argument runs, China would probably buy these materials from Japan; Japan might just as well be getting China's business as the Communist bloc.

The argument has its appeal. China and Japan have been linked through trade off and on for the past 13 centuries. China's sprawling land mass is the nearest source of many of the raw materials vital to highly industrialized Japan. Japan, for its part, has the capacity to produce industrial and consumer goods needed by China.

Yoshihiko Kitajima, a leader of Tokyo's city council, is an enthusiastic advocate of unrestrained trade with Communist China. His enthusiasm was heightened by a visit he made to China last fall as head of a 47-man Japanese delegation, invited by Peking's mayor.

In an interview with Chou En-lai in Peking, Kitajima declared that the COCOM restrictions should be abolished. The Red premier agreed entirely with the Tokyo councilor.

In an interview with The Post in Tokyo, Kitajima was vague about the content of his talk with Chou En-lai, explicit about his own views on Chinese-Japanese trade. Japan, he insisted, should sell to China cargo ships, machinery for the chemical industry, bearings, electric meters, passenger cars and bicycles.

In return, it should buy from China soya beans, vegetable oils, and coal. Canada, he remarked, is itself buying soya beans from China. (DBS lists no beans of any kind among Canada's $3.1 million imports from China last year.)

A Japanese group called the Association for the Promotion of International Trade put the argument this way, in a petition to U.S. Secretary of State Dulles on his visit to Tokyo in March:

"It is not the Chinese but members of the Free World themselves, especially Japanese, who suffer from the existing trade control."

Here's a breakdown of Japan's trade with mainland China, as shown by Japanese customs clearances:

JAPAN'S TRADE WITH MAINLAND CHINA

	1955	1954 ($000)	1958
Exports to China			
Chemicals	18,030	13,438	1,843
Rayon yarns	2,615	2,197	510
Cotton fabrics	795	1,134	59
Bicycles	282	108	8
Total exports	**28,547**	**19,105**	**4,539**
Imports from China			
Rice	19,149	12,522	...
Soya beans	26,965	7,412	3,495
Salt	5,638	3,413	1,615
Beans	5,774	2,895	2,096
Oil seeds	2,079	2,302	3,126
Tung oil	441	1,061	1,306
Iron ore	899	604	764
Bituminous coal	1,390	482	1,599
Linseed	726	14	1,691
Cotton seed	...	...	591
Cashmere goat wool	2,465	1,396	3,452
Bran	...	...	787
Alumina shale	305	111	255
Bristles	169	37	480
Lacquer	...	...	1,147
Magnesia clinker	2,129	1,173	414
Total imports	**80,777**	**40,770**	**29,700**

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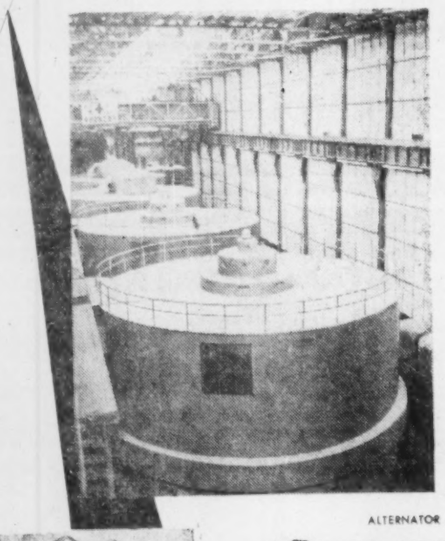

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Double Hydro Power Output By 1961

To meet the mounting demands for power to serve a steadily growing industrial population, Japan's government plans to add six million kilowatts of new power by the spring of 1961.

The power expansion program, which started last year, will cost 2.7 millions. When it is completed, Japan will have 11,740,000 kw. of hydro power and 7,540,000 kw. of thermal power.

With its many short, steep rivers rushing down from the mountain ranges to the near-by sea, Japan has an abundance of water power resources. Untapped hydropower resources are estimated at 14 million kw.

Generating capacity has increased rapidly in the postwar period, but has been unable to keep pace with the 10% increase in demand for power.

As a result, power has become almost prohibitively expensive for domestic users. A Canadian transferred to Japan early this year received a bill for $200 for the first month's power supply at his Tokyo home.

Five years from now, the government's Power Development Council predicts, power consumption will have increased to 69,200 million kwh, comprising 50.5 million kwh for industrial use and 18.7 million kwh for other uses. This forecast is based on the conservative assumption that demand will increase by an average of 6% a year.

To help meet the rising demand, Japan added facilities capable of generating 1,428,000 kw in 1955. This year, 820,000 kw will be added; next year, 1,093,000 kw; in 1958, 928,000 kw; in 1959, 833,000 kw; and in 1960, 914,000 kw.

20-Year Plan

Another government department, the Ministry of International Trade & Industry, has drawn up a longer-term plan for increasing Japan's power supply. On the assumption that demand will increase two and a half times by 1975 and that conventional power supply will have reached its limit by then, MITI has proposed that 8.2 million kw be generated by atomic energy by 1975. At the half-way mark, 1965, MITI recommends that 850,000 kw of power be furnished by atomic energy.

These estimates are based on assumption of a 5.7% annual increase in demand during the years to 1960, 5% to 1970, and 4% from then until 1975. Here is its estimate of power consumption at five-year intervals:

	Demand (100-million KWH unit)	Per capita consumption (KWH)
1955	512	575
1960	673	718
1965	858	881
1970	1,100	1,093
1975	2,330	1,280

By 1970, according to MITI, hydro-electric power will reach 17.6 million kw. At that point, it is assumed that its full potentiality will have been achieved and no further development of hydropower resources will be possible. Coal is chronically in short supply in Japan, and petroleum has to be imported.

The solution, as MITI sees it, is development of atomic energy —850,000 kw by 1965, 4 million kw by 1970, 8.2 million kw by 1975.

Study Atom's Use

To help guide Japan's march into an atomic future, the government in December appointed a five-man Atomic Energy Commission headed by State Minister Matsutaro Shoriki.

Other commissioners are Ichiro Ishikawa, a chairman of the Federation of Economic Organizations; Dr. Hideki Yukawa, Nobel Prize winner in physics; Dr. Yoshio Fujioka, professor of physics at Tokyo Education University, and Dr. Hiromi Arisawa, professor of economics at Tokyo University.

The government has also commissioned these companies and organizations to carry out atomic research.

— Tokyo Shibaura Electric Co., experiments on fast neutron scintillator and small electrometer tube.

— Hitachi, trial manufacture of neutron counter.

—Scientific Research Organization, experiments on neutron counter.

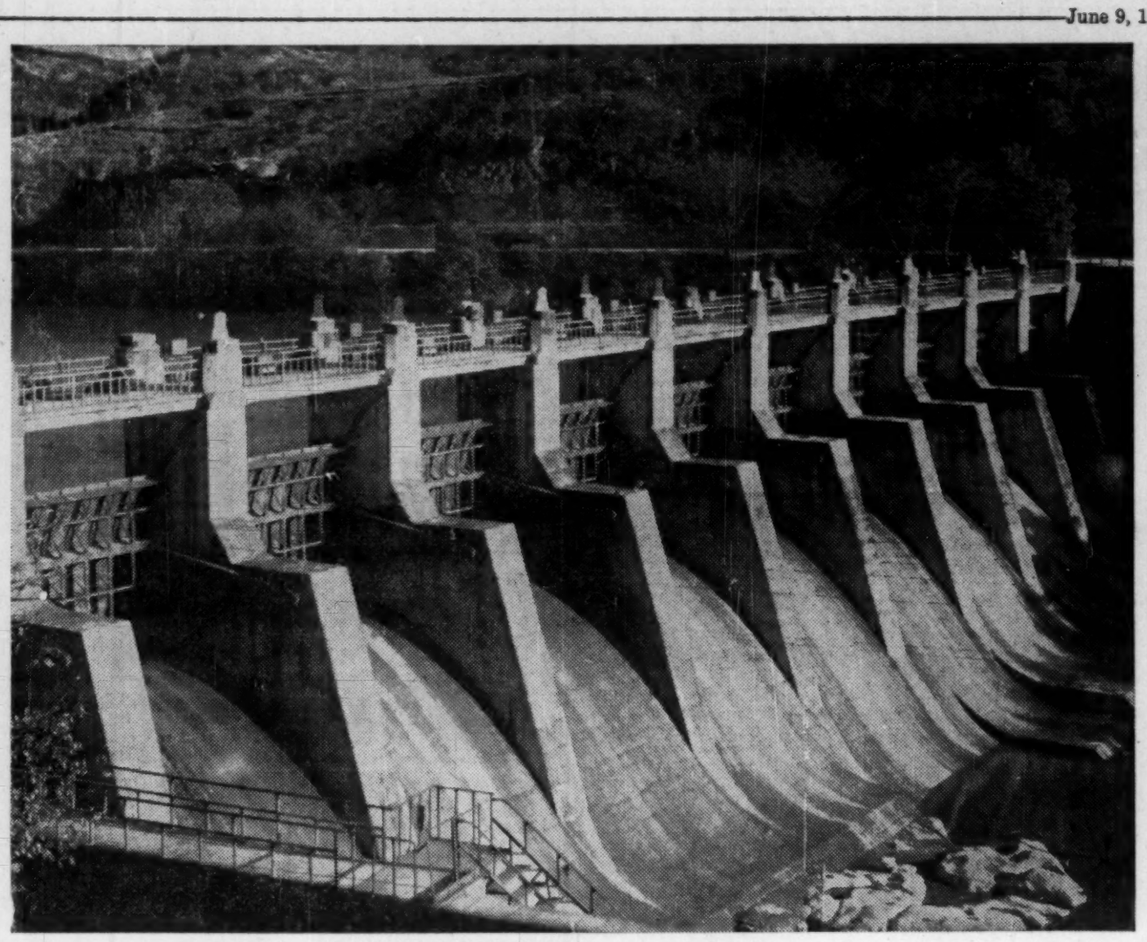
—Shimadzu Seisakusho, experiments on scintillation counter.

—Nissan Chemical Industry, intermediate tests on obtaining uranium from rock phosphate.

—Showa Denko Co., research on manufacture of graphite for atomic reactor use and basic research on the heavy water exchange process.

—Fuji Photo Film, trial manufacture of film badge for gamma ray use.

—Japan Science Promotion Society, basic research on atomic reactor designing.



New dams and powerhouses are harnessing Japan's many rivers, to help meet the needs of a fast-growing industrial nation. Japan is rich in the raw material of power—swift rivers, tumbling down from mountain ranges to the nearby sea.

More Foreign Movies Wanted

Exhibitors Press For End Of Government Control

Can Japan afford to import more glamour, wide-screen type?

That's today's major point of contention between Japan's movie industry and the men who control the country's foreign exchange purse-strings.

Movie exhibiting in Japan is a major domestic business. Box offices took in $153 millions last year, up from $135 millions in 1954. Top money earners are foreign films, imported under a rigid quota system.

Exhibitors want more foreign pictures. They point to Japan's domestic prosperity, her fast-expanding foreign trade. The Government, on the other hand, is notably slow about making concessions to a luxury industry.

U. S. domination of the Japanese import market has become an embarrassment to the Ministry of Finance. It stems partly from the fact that Hollywood is the world's major film production centre, and more particularly from the commanding position that U. S. films built for themselves under the Allied Occupation. At a matter of policy, Hollywood movies were given import priority in the 1945-52 occupation period.

When the occupation ended, the Ministry of Finance began allotting foreign exchange for the import of films according to the actual records of the past. On paper, it sounds equitable. In practice, it means that the U. S. continues to get much the biggest share of the foreign exchange that Japan is able (or willing) to spare for the import of screen entertainment.

In 1955, for instance, 134 of the 195 foreign features released in Japan were American. France was able to send 23 movies to Japan, Great Britain 18, and Italy nine.

There's disagreement as to the amount Japan spent for these films. Japanese importers estimate the cost at $28.7 millions. The Ministry of Finance declares it was $31.1 millions.

The foreign moviemakers are somewhat less than perfectly satisfied, despite the success of their products in Japan. Like most soft-currency countries, Japan limits the export of film earnings. U. S. firms may remit only 14% of earnings, other companies 19%.

With U. S. studios salting away about 200 million yen ($555,000) a month in net Japanese earnings, a substantial sum of money is being taken out of circulation to lie idle in blocked accounts.

Some of the money, it is true, is being spent on productions made in Japan. A production unit from MGM is currently filming "Teahouse of the August Moon" in Kyoto, with Marlon Brando and Glenn Ford. A French company is also on location in Japan, making a screen version of Thomas Raucat's novel, "The Honorable Picnic."

But this does little to relieve the mounting pressure on the Finance Ministry. Japan's own film makers, rather than trying to stifle foreign "competition," want more of it. That's because they control Japan's theatres (just as Hollywood studios controlled U. S. theatre chains before the Justice Department took antitrust action), and they are assured of a healthy profit on every imported movie.

Film import permits are granted to the studios by the Ministry of Finance on a bonus system; when a Japanese film distinguishes itself by a successful run in the dollar area, the studio which produced it is permitted to import a U. S. film for its theatres.

The film producers-exhibitors have added their voices to the appeals for a relaxation of the Finance Ministry's grip on box office earnings, and of its quota system for movie imports. With a constantly improving balance of payments, the Government may soon have to stop saying "No."

Scooters Now Preferred To Bicycles

Japan's bicycle makers are caught between two fires, at neither of which can they warm their hands. Their twin problem:

—Recent hikes of 10% to 20% in the cost of components such as frames and spokes, reflecting the boost in metal prices generally. About a third of the production cost of a bicycle is represented by metal parts, bought from sub-assemblers.

—Heavy sales resistance in both the domestic and the foreign market. The Japanese apparently are unwilling to buy bicycles even at present prices. Export sales to Southeast Asia have also declined, since a number of countries of that area have established their own industries.

Some 12 million bicycles are now in use in Japan—one for every 7.5 persons. But youthful Japanese are showing a marked preference for motor scooters, first popularized in Italy about six years ago.

Rolling with the punch, a number of Japanese bicycle manufacturers have switched their assembly lines to the production of powered scooters and light motorcycles. Japan now ranks fourth in their manufacture, after Germany, Italy and France.

Mounted with 4-cycle single cylinder engines, top speed of the scooters is about 45 mph. They are rapidly winning acceptance throughout Japan, particularly in the newly prosperous rural areas.

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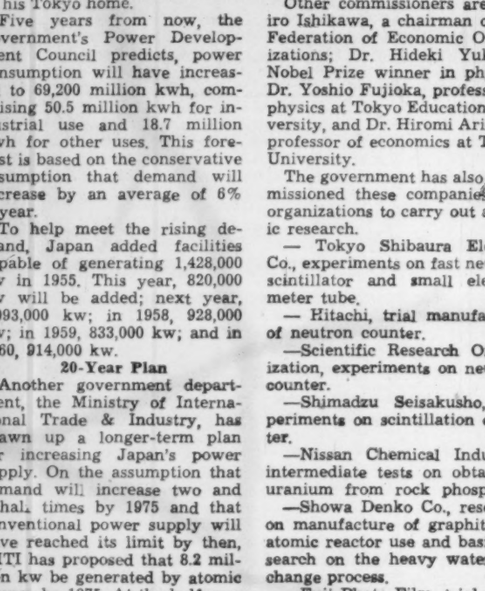

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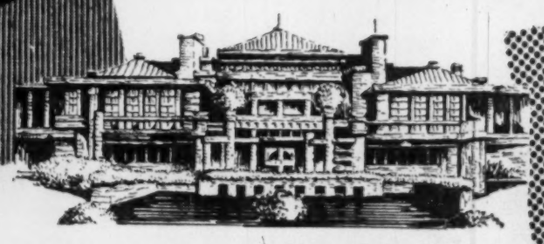

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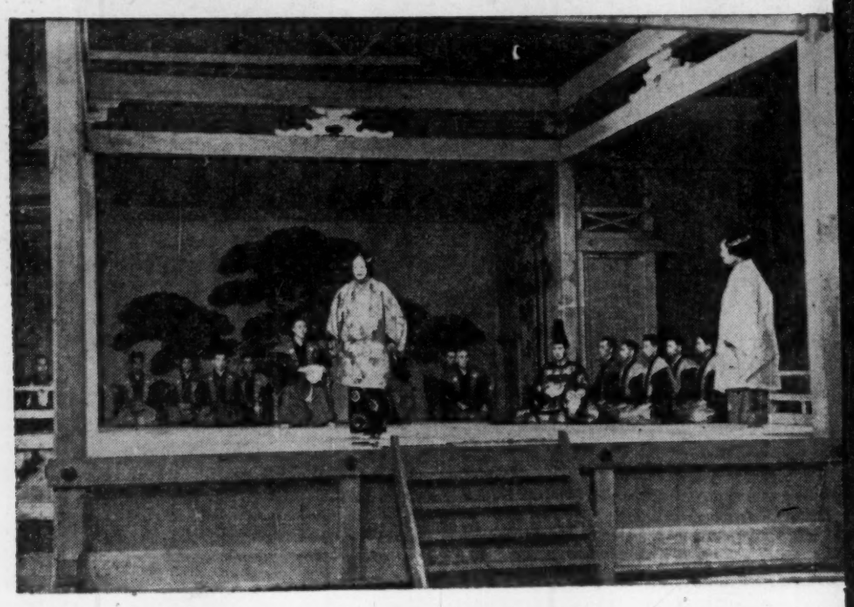

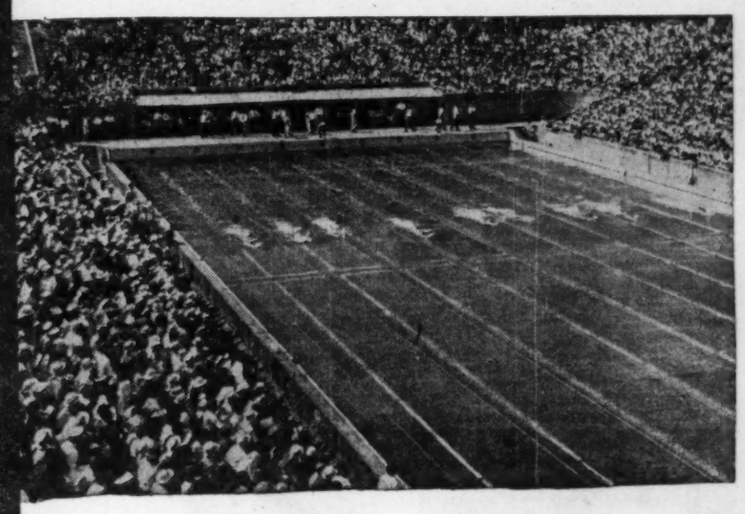

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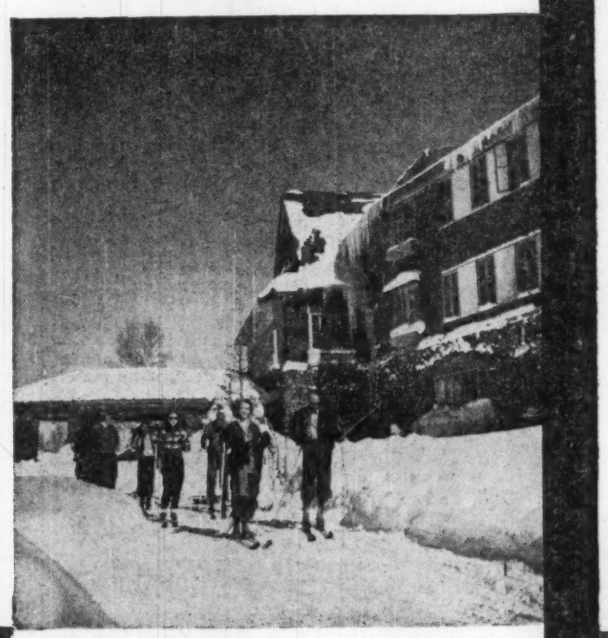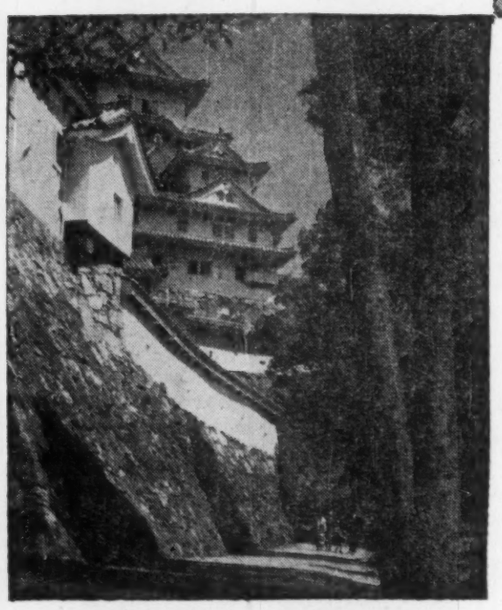
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